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CONTENTS

PAGE

THEATER NUCLEAR FORCES

FEDERAL REPUBLIC OF GERMANY

- Carter's Decision on Missile Deployment To Test Alliance
(Jan Reifenberg; FRANKFURTER ALLGEMEINE, 13 Oct 79).... 1

COUNTRY SECTION

INTERNATIONAL AFFAIRS

- Interrelationship of East-West, North-South Talks
Analyzed
(Giacomo Luciani; POLITICA ED ECONOMIA, Jul-Aug 79).... 4

BELGIUM

- Martens Interviewed on Domestic Problems
(LE SOIR, 9 Oct 79)..... 23
- PS Congress Debates Government Participation
(Jacques van Solinge; LE SOIR, 9 Oct 79)..... 25
- PS, FDF Voice Discontent With Government
(LE SOIR, 9 Oct 79)..... 28

FEDERAL REPUBLIC OF GERMANY

- Strauss Ready To Accept Stronger Social Plank for CDU-CSU
(Manfred Schell; DIE WELT, 20 Sep 79)..... 30
- CDU Labor Wing Demands Part in Writing Platform
(Gunter Hofmann; DIE ZEIT, 21 Sep 79)..... 32

CONTENTS (Continued)

Page

CDU Social Committee Chairman Discusses Strauss (Norbert Blum Interview; DER SPIEGEL, 24 Sep 79)...	36
Strauss' Reaction to Leftist Demonstrators Discussed (Rudolf Augstein; DER SPIEGEL, 24 Sep 79).....	40
Analysis of North Rhine-Westphalia Elections: Voters Irked (Lothar Bewerunge; FRANKFURTER ALLGEMEINE, 2 Oct 79).....	42
Possibility of Coming Economic Recession Examined (Michael Jungblut; DIE ZEIT, 28 Sep 79).....	45
Military Academy Head Sharply Criticized (Ulrich Mackensen; FRANKFURTER RUNDSCHAU, 2 Oct 79).	49

FRANCE

Possible Successors to Prime Minister Barre (LE POINT, 24-30 Sep 79).....	52
--	----

ITALY

Decline in Productivity Forecasted for 1980 (Lina Tamburrino; RINASCITA, 5 Oct 79).....	58
PCI Lower House Leader Comments on Institutional Reform (L'UNITA, 11 Oct 79).....	63
Comments on PCI's Internal 'Degeneration' (L'UNITA, 19, 20 Oct 79).....	65
Napolitano Comments Berlinguer Urges Analysis	
Opinion on Malaise of the Cossiga Government (Giuseppe Tamburrano; IL MESSAGGERO, 24 Sep 79).....	73

PORTUGAL

'Manifesto' Group's Tavares on Democratic Alliance Success (Francisco Sousa Tavares Interview; POVO LIVRE, 3 Oct 79).....	75
--	----

CONTENTS (Continued)

Page

Cunhal Discusses Eurocommunism, Party Differences at PCP-PCI Rally (Alvaro Cunhal; AVANTE, 11 Oct 79).....	84
Cunhal Addresses PCP National Conference of 14 October (Alvaro Cunhal; AVANTE, 18 Oct 79).....	86
CAP's Casqueiro Criticizes President's Lack of Direction (Jose Manuel Casqueiro Interview; EXPRESSO, 13 Oct 79).....	93
World Bank Provides Development Loan (JORNAL DA ECONOMIA, 19 Sep 79).....	101
Tourism-Related Earnings Increase Twofold (O DIA, 18 Sep 79).....	103
Emigrant Remittances Reportedly Increase (O DIA, 18 Sep 79).....	105
Fishing Industry Shows Decrease in Catch (O DIA, 18 Sep 79).....	106
Briefs Soares Criticizes PCP Attitude	107

SPAIN

PCE Aide Poses Issues Stemming From Ponomarev Attack on Eurocommunism (Editorial, Jaime Ballesteros; MUNDO OBRERO, 25 Oct 79).....	108
Tierno Galvan on Results of PSOE Congress (EL CORREO ESPANOL-EL PUEBLO VASCO, 5 Oct 79).....	111
Details on Navy's New Aircraft Carrier Provided (M. Ramirez Gabarrus; LA VANGUARDIA, 5 Oct 79).....	113
Briefs Equatorial Guinea Grant	116
Yugoslavian Official Visits	116

CARTER'S DECISION ON MISSILE DEPLOYMENT TO TEST ALLIANCE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 13 Oct 79 p 12

[Article by Jan Reifenberg: "This Time It Is up to the NATO Partners--Carter's Determination To Station New Weapons in Europe Becomes a Test for the Alliance"]

[Text] Washington, 12 October--President Carter confirmed this week that the United States is determined to station "Eurostrategic weapons" (Pershing II missiles and guided missiles--cruise missiles--on land) in the FRG, Belgium, the Netherlands and Britain. Washington will not be put off by Brezhnev's latest offer. The U.S. argument is as simple as it is convincing. According to it, the military balance in Europe has been upset at present by the preponderance of the Warsaw Pact in personnel and tanks but, above all, as a result of the SS 20 missiles and the Soviet backfire bomber. Therefore, talks--planned as part of a third SALT round--about reducing the mutual nuclear arsenals are pointless until a balance is created. The West, it is argued, can achieve any successes only if it can show an inventory of modern deterrent weapons of its own. As long as this is not the case, the Vienna talks about mutual force reductions in central Europe (MBFR) as well will continue unproductively to go around in circles. In other words, if one "arms in order to negotiate," one is only closing a gap threatening the security of Western Europe and NATO, and the planned modernization of "Eurostrategic weapons" is necessary both from the military and the political point of view.

Carter was all the more ready to grasp the opportunity to show himself as a determined head of state in this question as this enabled him to counter the impression of weakness created particularly in Europe by his behavior in light of the Soviet fighting "brigada" in Cuba. Evading the harsh criticism voiced by former Secretary of State Kissinger, the President considers his reaction in the Cuban affair "adequate." One is mistaken, however, particularly in Bonn, if one thinks that the President in the matter of the "gray-area weapons" merely wanted to display the kind of strength which his numerous opponents now deny that he possesses: according to his advisers, Carter from the start applied the sober standard of military needs in the question of modernization of "Eurostrategic weapons." By

signing the SALT II agreement, they say, the first step was taken toward limiting remote strategic weapons, the President realizing from the beginning that a discussion about the "Eurostrategic weapons"--in other words, about the European military and security policy position--would start immediately afterward. Carter had therefore kept very close track of the work of NATO experts and had welcomed as correct their conclusion that the stationing of Pershing II missiles and cruise missiles on land was necessary. The NATO ministers have to reach a decision about this in Brussels in December.

In the view of the experts of the National Security Council, the Pentagon and also the State Department (which, like the Disarmament Agency, is always more willing to make concessions in such things), Brezhnev's offer is all too transparent. They think it is a question of crude direct pressure on Bonn and, to a lesser degree, on Brussels and the Hague. According to some U.S. persons versed in the situation in Bonn, "he is telling Schmidt, 'Either Pershings or Ostpolitik,' knowing full well that the leftwing in the SPD will now put pressure on the chancellor against Bundestag assent to stationing these weapons on West Germany. This is playing right into the hands of the dreamers who regard the constantly increasing enormous armament of the Warsaw Pact only as a sign of 'defense.'"

It was therefore possible that a kind of "neutron weapon debate" would be held in which Carter's determination to increase the defense of Western Europe in the end would founder on domestic political timidity in Bonn. But one thing had to be kept in mind in this connection: if such an impression was created in the U.S. Senate, this might reawaken the efforts contained for years in the "Mansfield resolutions" aimed at a unilateral withdrawal of U.S. forces from Western Europe. Should this combine with a mood (certainly not in existence today) flirting with a withdrawal to a "fortress America" because of disappointment with the NATO partners, those partners of the alliance would be left in the lurch whose security depended on a U.S. presence in Europe.

As seen in Washington, the psychological risk of the Soviet offer primarily lies in the fact that one cannot say whether the Senate will conclude its floor debate about the SALT II treaty, let alone ratify it, before the NATO Council of Ministers meets. But, regardless of what happened, there would be no change whatever in the strategic relationship in Europe. A total of 100 mobile SS 20 missiles, with 3 warheads each and a range of about 4,000 kilometers, stationed in western Russia and in the northern part of East Prussia are aimed at all NATO targets. It would be possible to hit 300 targets with a destructive power of 50 kilotons. What Brezhnev was offering now was dismantlement of the partly 20-year-old SS 4 and SS 5 medium-range missiles with ranges of 1,600 and 3,200 kilometers and a warhead of 2 or 6 megatons. But the party chief was ready to do that only if the West forwent the new weapons. Furthermore, a withdrawal of 20,000 Soviet troops and 1,000 tanks from the GDR was virtually meaningless in that the Warsaw Pact would continue to have more soliders than NATO and its numbers of tanks would remain twice as high.

According to influential U.S. opinion, it is now a question of preserving proportions. NATO had to approve the modernization of medium-range weapons and not worry about the crescendo of a Soviet propaganda offensive which was only out to deny the West the right to have weapons on the soil of NATO member countries capable of hitting targets in the Soviet Union, while Moscow was reserving for itself the converse right as a matter of course. If it should come to SALT III, such talks--difficult in any case--could be conducted credibly only if the West had something to offer. This would be the "Eurostrategic weapons." A decision about them was only psychologically, not factually, connected with the fate of SALT II in the Senate. But this also means that this time it is Bonn, not Washington, that must make the unpleasant decision, because the United States does not need the "gray-area weapons" as a credible strategic deterrent against attack on its territory.

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INTERRELATIONSHIP OF EAST-WEST, NORTH-SOUTH TALKS ANALYZED

Rome POLITICA ED ECONOMIA in Italian Jul-Aug 79 pp 13-22

[Article by Giacomo Luciani: "Detente and New Order"]

[Text] 1. As we move toward the end of the 20th century, the peoples of the world are engaged in two sets of negotiations of paramount importance, upon whose progress and outcome will depend, to a large extent, the course of history for the next century. The first negotiations (East-West) were designed to direct the evolution of a situation of uncertain peace, often interrupted by local conflicts and based on nuclear deterrence, toward a situation of stable peace, based upon a believable renunciation of military force on the part of all actors on the world scene. The second negotiations (North-South) were entered into with the aim of putting an end to the inhuman living conditions still prevailing over large areas of the globe and, more accurately (since this second objective embraces the first), arriving at individualized development of economic potentials until we achieve equality among all nations and all regions.

The two sets of negotiations are moving along in parallel, and there are interrelations between them. Either of them might fail, and we must be on our guard against simplistic "historical optimism," the attitude that says that time is the best problem-solver: we cannot shut out the possibility of a global catastrophe.

In this article I intend to set down some considerations -- still extremely tentative -- on the interrelations between the two sets of negotiations. More precisely, I shall argue that progress in either of the two forums is already intimately linked with progress in the other, whereas in the past the link was not nearly so evident; this raises new questions, for which the governments involved seem to be woefully unprepared.

This whole matter has for some time been the subject of discussion with various friends of mine, and to them I owe a good many of the insights variously set down here. For that matter, the basic idea here -- that the interrelatedness of the two sets of negotiations has become of central concern, and that this raises problems because the negotiations are different -- is not my brainchild, either.

2. The notion that there is a link between East-West issues (concerned with keeping the peace) and North-South issues (concerning development) is certainly nothing new. A moment's consideration of the different population dynamics between industrial countries and underdeveloped countries has always amply borne out the assertion that underdevelopment could not continue indefinitely without endangering the peace of the world. Pope Paul VI has told us that development is the new name for peace. At the opposite extreme, Lin Piao wanted the "countrysides" to assault the "cities."

The reverse link, meaning the need for progress toward peace in order to solve the problems of development, has always been less marked, and has rarely gone beyond a comparison between military spending and economic aid spending, with the implication that the former ought to be cut back and the latter increased.

Even so, the interrelationships that were emerging were left at a long-term level, if not one of mere principle. The fact is that the cities have not been in any danger, not even a distant danger, of assault from the country; and fortunately peace of a kind has prevailed even without development. As for the choice between military spending and spending on development, well -- as we shall show more clearly later on -- it exists only as a long-run eventuality, and maybe not even as that.

And so, up to now, the two sets of negotiations have moved along independent of one another to a large extent, in different venues and with different participants. The East-West negotiations are substantially negotiations between the United States and the Soviet Union. Certainly, they are not conducted solely on the bilateral level, but occasionally draw in other European countries; or sometimes they take place right in the UN, and when that happens every UN member nation participates. Be that as it may, the fate of these negotiations will be determined primarily by the bilateral relationship between the two superpowers. The North-South negotiations, though, involve primarily the OECD and the Group of 77 (or sometimes sub-groups of these two agencies, such as the EEC and its ACP associates). Even though officially the confrontation occurs in United Nations bodies in which the Soviet Union is also present, Russia usually confines itself to arguing its irrelevance.

In short, the negotiations are being played out, so to speak, at separate tables, and only one of the players -- the industrial West -- is really active at both; but it, too, is one kind of player at one table, and a very different one at the other, since at one table there is clear American leadership, while at the other there is none at all.

In a situation like this, the success of the operation depends on America's skill at finding counterparts enough not only to keep the negotiations going, but also to guarantee that its industrial allies will stick together. The United States had that clout in the past, but the power relationships have shifted, and such instruments as the American government possesses are no longer potent enough to make it a certainty that it can get all the consensus it needs in any set of circumstances.

One possible interpretation of the trend -- the international diplomatic picture over the past decade (and perhaps longer) might start with the observation that the United States has found it impossible to handle both sets of negotiations in an active fashion, and so has had to decide which set should get priority.

If this is indeed the way things stand, it is clear that the United States has thus far assigned priority to the East-West negotiations, and tailored its attitude at the North-South table to a posture of defense only -- even in relation to questions of consensus within the Western camp. Because of this, there has been a marked deterioration in the climate of the North-South negotiations, and even a crumbling of the understanding among western nations over the whole spectrum of economic issues. Thus far, on the contrary, this crumbling process has not surfaced with anything like comparable intensity with reference to strategic issues (France and Greece have pulled out of NATO but have not changed sides nor shifted into neutrality; NATO's internal solidity leaves something to be desired, but its function at the current level of potential has been questioned within the alliance only by very limited political forces). At the same time, very considerable results have been achieved at the East-West negotiating table, while the other negotiations have nothing even remotely comparable to show for their efforts.

Isn't there perhaps, though, at this point a danger that the lack of progress in the North-South negotiation might give rise -- not so much to a revolt of the country against the cities or to other equally cosmic and far-fetched developments as to a pattern of destabilizing behavior on the part of a few major players, such as seriously to imperil the possibility of fruitful continuation of the East-West negotiation? If the answer is "yes" it is clear that the modus operandi of international diplomacy as just described will no longer do at all.

3. Before I go any further, I must say a word or two about the ideal rapport between the two negotiating processes.

The East-West dialectic arises as a contraposition between two political systems: on the one hand lies the camp of liberal democracy and the market economy, and on the other that of the single party and the centrally planned economy. At the start, each of the two camps carries an ideological load and its centripetal charge, and the contraposition does not have to do solely -- perhaps not even primarily -- with international aspects, but with internal aspects. The fact that each of the two guide-countries sits down not only as a state, but also as the leader of a world-scale political movement heightens their mutual incompatibility and is typical of the Cold War period.

From Contraposition Between Models to the Quest for Equilibrium

Over the years since the Cold War was at the height of its intensity, the East-West dialectic has been gradually changing, until it has become a negotiation over equilibrium, stability, and peace at the international level. The aspect of contraposition between political models has lost much of its importance, as a result of the multiplication of patterns for development in the western camp, and of the "national paths" on the eastern side, but without either of the two leader nations' ever having formally given up its ideological role. To the contrary: Carter's aggressiveness on the civil rights issue is a clear attempt to revitalize that role.

All of this notwithstanding, it would be difficult to deny that the prime concern of both leader-nations is not so much victory for one particular ideology as achievement of a stable equilibrium among states. The logic of Yalta has repeatedly won out over ideology.

From this point of view, the East-West negotiations have an ineradicable tendency toward the hierarchical and the conservative. It is moving, step by tiny step, toward a situation of equilibrium that can be frozen, and thereafter make feasible a decisive reduction of forces deployed. Vital to this end is getting all the major players to agree on the end goals of the negotiations, and getting all the minor players to follow their lead.

Instances of insubordination among the smaller players keep changing the equilibrium and thereby making the negotiations far more difficult. This is why every East-West negotiator dreams of a world in which each camp would be neatly organized into hierarchical order, and the hierarchy respected (the ideal is that it be basically respected with a few limited exceptions), and in which power relationships at all levels were unchanging.

4. The North-South dialectic, though, by its very nature, is rooted essentially in nationalism. It is concerned solely with the international aspects, and has no interest whatever in the domestic aspects. This explains why it is possible that within the South, in its diplomatic manifestation -- inside the Group of 77, that is -- you find coexisting regimes as disparate as can be imagined insofar as their ideologies and political foundations are concerned. And the North includes both OECD nations and those of Eastern Europe, even though the East Europeans don't like to be reminded of that.

This statement can be understood only if we scrap the stereotype that would have us think that only revolutionary parties and forces can be truly "national." Never in history has that been true, and it is untrue today. There are many parties and governments in the Group of 77 which are genuinely nationalist and certainly not revolutionary: some of them, indeed, are savagely reactionary. It is not true that all the bourgeois and other components in these countries are naturally "tools of foreign capital." On the contrary, it is easy to see how the objective of a change in the international order can rally to it governments which, in domestic policy, follow radically different paths.

Taken as a whole, the Group of 77 is not a revolutionary movement from the point of view of domestic arrangements. Its purpose, and the issue before the North-South negotiators, is to change the present shape of international relations. That change is to serve to reduce and eventually eliminate the current disparities in power relationships between countries.

And so while the East-West negotiations tend to freeze balances where they are, the North-South conferees are working on ways to change them.

This contraposition does not hamper the contemporaneous progress of the two sets of negotiations, because they have different objectives. The East-West negotiations are aiming at strategic equilibrium, the North-South talks at economic equilibria. Even so, the distinction is not so clear-cut as it looks from the mere diplomatic level, and not only because of the fact that the military potential is to some degree linked with the economic potential: the spirit of peaceful coexistence, on which the East-West talks are based, looks not to the end of rivalry between the two systems, but to its shift from the military to the economic plane. The interchangeability of military success with economic success as a tool for keeping governments in power is a phenomenon of which we have countless examples in history. Finally, we certainly cannot say that the nations of the South are concentrating their demands on economic aspects because strategic issues are of absolutely no interest to them.

Soviet Attitude Toward North-South Talks

5. As we have already mentioned, the Soviet Union's attitude toward North-South negotiations is one of detachment. Although the nations of the group of 77 have made some demands on the European nations with centrally planned economies in international forums, these countries still feel that they are not involved in those negotiations.

The prevailing interpretation of these talks seems to be a strongly ideologized and purposely confusing one: the North-South issue is viewed as a manifestation of major contradictions inherent in capitalism, and hence as something to be dealt with only with the advent of socialism all over the world. Such contradictions could not exist between socialist countries. Despite their refusal to sit in at the North-South table, the Comecon countries have stretched their organization enough to let in Vietnam, Ethiopia, and South Yemen.

This, however, is no way to solve the problem, or even a step toward solving it. Ever since the end of WW II there has been a lively streak of North-South-style feuding within the eastern camp, which has led Yugoslavia, China, Albania, and Romania into conflict with the Soviet Union; and the Soviet Union has regularly failed to consolidate relations -- sometimes very intense relations -- with the nations of the South: Indonesia, Egypt, India, Syria...

There is no doubt that if the North-South feud these days is polarizing mainly around the OECD, it is doing so because the Eastern European countries have never managed to form an economic point of reference truly alternative to the OECD, which is why the South's economic ties have continued to extend and grow primarily with the West.

6. The attitude of the South toward East-West negotiations, though, is more complex. Historically speaking, the earliest manifestation of the South as such was not the Group of 77, but non-alignment, which is a classification belonging to East-West logic. In fact, the non-aligned movement is concentrating its attention on the process of decolonization, on the affirmation of the principle of noninterference in the domestic affairs of other countries, and on disarmament. Their action is thus part and parcel of the East-West dialectic, even though its direction is the opposite of that of the two superpowers (which in fact are constantly interfering in the domestic affairs of allied nations), and its intention is the antithesis of the Yalta idea.

In this guise the South is unquestionably playing an important role, which will last as long as the era of confrontation

between the superpowers; but once that climate changes in the direction of a search for understanding, the non-aligned movement will inevitably be dealt out of the main-line negotiations.

And so it is that the South, while continuing to demand a role of its own in the East-West negotiations (without much success), is concentrating its main efforts on the opening of a new set of negotiations: the North-South game. Gradually the non-aligned movement, which continues to exist in form but has no real capacity to make any meaningful difference, is opening the door to the Group of 77. The Group is broader, because some aligned nations belong to it; mainly, though, it has profoundly different priorities.

Thus while the East feels that it is not involved in North-South issues, the South is involved and striving to participate in the East-West negotiations; but while at the North-South table it constitutes a unifying and effective presence, at the East-West table its presence is badly fragmented and steadily weakening.

The Third World and Detente

The weakening of the Southern presence in the East-West context is partially responsible for the attitudes of the nations of that area. A growing number of them have in fact subordinated the achievement of goals connected with East-West issues to that of goals connected with North-South issues. This is why we so much more often see the phenomenon of nations taking attitudes that are destabilizing to the East-West negotiations as a function of demands which actually have more to do with economic development.

India is perhaps the only developing nation that has managed to keep its own substantially equal distances from both blocs, and which has not succumbed to the temptation to squeeze or upset alliances in order to obtain credits, investments, or economic assistance. And yet, so many have come to grief on those particular shoals, as did, to cite only one example, Egypt's non-aligned posture.

Case histories of such behavior could grow very long, and we can adduce only a few examples here. Cuba was forced to take as stand this close to the Soviet Union by its need to survive the economic embargo. In its case, inasmuch as the embargo is still in force, so is its alignment. In most cases, though, the Southern nations that move toward the East because they are dissatisfied with their relations with the West, find out fairly soon that they can shift back toward the West again and get a better deal than they can with the East. "Playing pendulum" has become an all but accepted negotiating technique, one which gets results in terms of development aid, but whose consequences pose a threat to detente.

It is not, however, merely a matter of playing pendulum. China, for example, which could hardly be described as given to that particular game, heads into a fighting war with Vietnam at the very moment when it is negotiating new relations with the West: might not this, too, be a way of bolstering one's own bargaining position?

At the other end of the political spectrum, Brazil, which has piled up staggering debts on the Eurodollar market, is laying the groundwork for getting its own nuclear weapon: does it plan to use it against Paraguay? Or isn't it more likely to act as a kind of insurance policy against financial strangulation? (A financial crisis could lead to political instability which in the eyes of the United States would, at that juncture, look a whole lot more worrisome.)

For that matter, even India has a nuclear device of its own, holding it more in order to warn the rest of the world not to make plans on its downfall than for anything else.

The connection between behavior we call "East-West destabilizing" and North-South issues may be even more tenuous, but none the less real for all that. There is no doubt, as a general rule, that the lack of progress in North-South negotiations makes it more difficult to achieve development goals and thereby threatens the stability of governments in the developing nations. (We must also admit that development itself can plunge stability into crisis, although in a different way and to a different end. We shall get around to that later.) These governments must in any case keep a firm grip on the substantial consensus of domestic public opinion -- even though it may sometimes be confined to a few very small sub-components of the society, such as the army, the religious hierarchies, the royal family in the broad sense, or the chiefs of certain ethnic groups, according to circumstances -- and to that end they may resort to dangerous notions of an international presence to hide or flesh out meagre achievements on the economic development front. This leads to the reawakening of ideologies which, at least to the European observer, are perforce perceived as threatening, such as the return to Islamic solidarity; and of course the temptation of the "punitive expedition" seems to be making headway among the nations of the South. At other times, they may choose inconsistent and devious behavior, like the reactionary Arab regimes' support for the Palestinian resistance.

As I shall show more clearly later on, the swift rise of the propensity for feuding among the developing countries is only partially attributable to the failure to achieve results in the North-South negotiations: the rest of it is all but inevitable, and stems from several grave errors of myopia committed during the process of decolonization by the former colonial powers. The fact remains that this quarrelsomeness is spreading very

rapidly indeed, and interfering grievously with the East-West negotiations.

8. The destabilizing potential of the situation covered in the preceding section is also linked with the attitude of the Soviet Union, which not only refuses to get involved in the North-South negotiations, and by so doing makes them more difficult and thus becomes partly responsible for their scant progress; what is worse, it seems to be poised to grasp at every possible sign of North-South tension so as to use it somehow in changing the East-West equilibrium to its advantage. Some observers even argue that the Soviet Union is committed to stirring up new conflicts between developing nations so as to expand its own area of influence.

Time was when the East-West negotiations were basically bargaining between unequal parties: the superiority of the United States and its allies was particularly evident from the point of view of presence and the capacity for conventional intervention at the global level. This situation is changing, and increasingly the negotiations are taking on the earmarks of dealings between equals. This is true both at the strategic (nuclear) level and in conventional operational capability in the various parts of the globe: there are unquestionably sectors in which the Soviets are still behind, but in others they are even or actually ahead, and in any case the balance is rapidly shifting in the direction of substantial parity at all levels.

Well, then, if until now the United States has occasionally (certainly not always) taken a soft stand toward possible alterations in the balances (remember how readily the US pulled out of the air bases it had in Libya and Egypt?), in the future it will not be so easy. It will be harder, quite apart from whether or not it proves true that the Soviets are busily provoking occasions for conflict, or merely confining themselves to responding from time to time to such occasions as may offer.

Competition Among COMECON Countries

9. A further complicating element in the picture is the fact that on the economic plane the East is emerging today at the international level more as a competitor of the South in relations with the West, rather than as the West's rival in relations with the South. This is true both from the financial and from the industrial points of view.

To understand this point one must remember that the South represents a demand for industrialization: the demand is limited on one side by the small size of domestic markets in some countries, and on the other by the scant availability of foreign exchange

to pay for the necessary installations. In other words, industrialization runs up against a market obstacle and a financial obstacle. The financial obstacle, the fact that there are no mechanisms for long-term credit at the international level, aggravates the market obstacle, because it forces governments to pursue policies which contain domestic demand and orient any industry toward production for export.

Well, now, the COMECON nations have in these past few years moved into the Eurodollar market in force, and their demand for credit there has become a competitor for that of the developing countries. (even though abundant liquidity has greatly diluted the problem). Furthermore, they have developed a form of barter agreement, which essentially calls for paying for a plant in the form of a portion of the plant's production. And they have in any case sought to increase their exports of manufactured products to the European markets. In other words, they have based at least that portion of their industrialization program that depends on western suppliers on a marketing strategy calling for re-export to the western markets. By so doing, they emerge in these markets as competitors of the developing countries (and in the same sectors: basic petrochemicals, clothing, automobiles...), thus objectively crowding the market space theoretically available to the developing countries. For their part, the COMECON countries have neither set up financing machinery for the developing countries to any more than a token degree, nor have they opened their own markets to exports of manufactured products from those countries.

Obviously, it is quite another story if the OECD countries are called upon to support, by themselves, the whole cost of financing and reconversion of the industrialization process both of COMECON and of the Group of 77, rather than, as the original scenario ran, that OECD and COMECON would work together in carrying the costs of the industrialization process for the Group of 77, albeit in a spirit of rivalry rather than one of collaboration.

All indications show that if COMECON does not change its stance both toward OECD and toward the Group of 77, the battle between those two areas over the financial and market resources available in the West can become very acute indeed. This would face the OECD countries with an either-or choice between the two zones, since there is no way in which they could satisfy the demands of both, and hence inevitably with conflict with at least one of them.

Even though I shall be coming back to this point, I must make it clear right now that the argument that COMECON has no alternative to taking the position it has taken is not acceptable. It is blatantly false. The current COMECON strategy is linked to a whole string of decisions as to the development of the national income, and, at home, to the development of consumer-oriented industry; it is clear that this strategy will

have to be rethought so as to change COMECON's stance, lowering its ambitions as to growth rates, making larger quantities of raw materials available for export, cutting down its exposure on the Eurodollar market, and greatly increasing long-term credit to the developing countries, as well as opening up its doors to industrial imports from those countries.

10. Of course one cannot forget, at this point, that there is an intimate connection between East-West economic relations and the process of detente. The connection operates at two levels: in some cases, the development of economic relations has been subordinated to specific developments on the detente level (especially by the United States); however, the main thrust of the rapport lies in the conviction that development of economic relations will facilitate and consolidate the detente process.

This may perhaps explain why a lot more energy is devoted in Europe to developing economic relations with COMECON rather than with the Group of 77; and why, although there is a tendency on the part of some countries (Federal Germany first among them) to strike tough attitudes toward requests from the Group of 77, there is always a lot more available when requests come in from the East. This is an altogether reasonable and justifiable attitude. For this very reason, it is highly unlikely that Europe will venture so far as to ask for a change in COMECON's position, along the lines discussed in the preceding paragraph; because any such change might reverse a trend toward increased Eastern dependence on the West and toward a growth in private consumption there: two trends which, from the Western European point of view, are certainly highly reassuring.

11. There are some ways in which a solution to North-South issues would be facilitated by progress in East-West negotiations.

In the first place, we must recognize the fact that in a good many cases the solution to North-South problems demands changes in national boundaries as they were laid down during the decolonization process.

Ex-Colonial Powers' Losing Game

In many instances the quondam colonial powers have done their best to create states purposely designed to be weak and structurally dependent. Unfortunately, that maneuver has succeeded all too well: the result, however, is not quite what its creators had in mind. Today, it is returning like a boomerang to hit the industrial nations, which now face necessarily hostile behavior from entities so defined as to render any compromise whatever out of the question.

This is the case of the oil producing countries in the Gulf, such as the Emirates, Qatar, and even Saudi Arabia: it is hard to deal with these countries and come up with a compromise, because structurally they have only one interest (oil), and there is no concession that can be offered in the areas of industry, agriculture, or anything else that might induce them to renounce their total sovereignty over their oil. The problem stems from the fact that these are "one-dimensional" countries. When nations have more than one dimension, as does Algeria, for instance, or, even more, Indonesia, compromise is by no means assured, but it is nevertheless possible.

For many other countries the problem is one of the narrow dimensions of domestic markets, which block any rational process of industrialization except one designed solely for export, and hence highly destabilizing to existing industrial balances. Their efforts at industrialization, if conducted on a purely national scale, are destined to run into ever-escalating competition at the international level, and will inevitably become even more laborious. As of now a few (not all, though) of the countries that have opted for industrialization for export have chalked up undeniable successes. However, these are relatively small countries when measured against the bulk of world trade. If their pattern were to spread and be adopted by a few of the bigger countries (China seems to be moving in that direction, and India may follow), it could only turn into a doomed effort under conditions of exploitation worthy of the early days of the industrial revolution.

The larger countries we have barely named, along with other South-east Asian nations, to which we might add Mexico, Brazil, and perhaps Nigeria, have dimensions (as to territory, population, and natural resources) which allow them an alternative development strategy that would prove more "balanced" (always providing that the industrial countries are prepared to help with the financing). The remaining countries, though, which constitute the overwhelming numerical majority of the Group of 77, have no valid alternative which they can pursue on their own.

The economist sitting in his study has a simple solution: regional integration. In fact, there have been and still are a great many efforts to establish integration processes among developing countries: unfortunately, the results thus far have fallen far short of expectations. Part of the blame must go to mistaken approaches to these experiments, but the main culprits have been political obstacles, and problems with national jealousies or the basic incompatibility of fundamental political options, which inevitably lead to a grinding halt.

All regional integration scenarios are prey to the fact that economic development, too, begets political instability, and one

certainly cannot expect that this bond will exert its influence simultaneously and with convergent results in all the countries involved. And so it is that, in a certain sense, economic success will quite probably lay the groundwork for political disintegration.

From this point of view, there is no doubt that the principles of non-interference and of renunciation of recourse to war, which even now are -- at least officially -- the cornerstones of relations among developing countries, will come to be seen increasingly as paralyzing constraints. We must recognize the fact that, given the actual conditions prevailing in these countries, in which the governments that can claim to be democratic are a tiny minority, any process of regional integration is, sooner or later, going to require somebody to interfere in some other country's affairs, and perhaps to use force in the interfering.

This, for that matter, is already beginning to happen: Tanzania has taken it upon itself, with the tacit consent of the other African nations, to do away with Idi Amin's bloody rule; Vietnam is intervening in Cambodia to oust Pol Pot; Syria is "pacifying" Lebanon; Nigeria is "mediating" in Chad in the civil wars between forces backed by Libya and others backed by France; and Algeria is upholding the independence of the Spanish Sahara (which would be a patent historical absurdity, but would weaken the King of Morocco): and we have yet to reach the level of exceptions or isolated episodes.

It could hardly be otherwise. How long will such poor and populous nations as Egypt, Tunisia, and Yemen continue to take the independence of emirs, theocratic kings, or extrovert colonels seriously? These are questions which the diplomats, and also the social scientists who deal with such problems, call "awkward," and do not like to think about. Maybe, as topics, they smack too much of realpolitik: but, at the opposite extreme, can we pretend that there is a solution to the problem which can be implemented without resort to force?

I don't think so. And that means that we must simply accept the fact that a solution to the North-South issues is possible only with some degree -- preferably minimal -- of conflict and violence at the regional level. Hence any progress in the solution of North-South problems is going to call for some sort of prior East-West agreement: we must somehow insulate regional conflict of the type just described from the East-West dialectic.

Full National Sovereignty Over Natural Resources

12. The second principal reason why progress in the East-West negotiations is necessary for progress in the North-South negotiations is the need to regulate possible positions of force on

the part of those who hold scarce resources, and to start development of vulnerable or common resources on the way to exploitation.

Here again, we have a delicate point. Until now, the struggle for full sovereignty for each nation over its own natural resources (meaning full discretion in determining their legal status and the intensity of exploitation, as well as marketing conditions) has been viewed as an essential component of the decolonization process. Unquestionably, until now this has been the prevailing sense of the phenomenon, witness the fact that there has been fundamental solidarity between the oil-producing and non-oil-producing nations within the Group of 77, despite all predictions to the contrary made in the West immediately after 1973.

However, while in reaction against colonial rapine it is historically fitting and proper to go through a phase of national reappropriation of resources, that phase cannot be seen as the goal. While the behavior of the "real" oil-producing nations (as opposed to the "fictitious" ones invented in the course of the decolonization process, to which we referred in the preceding paragraph) evokes our political sympathy, the same is not the case with Great Britain, which opposes a European energy policy for fear of losing sole control of its slice of the North Sea, or with the uranium-producing nations which are forming a secret cartel to boost prices, or with the United States which suddenly cuts off soybean exports to slow the rise in domestic prices or threatens to resort to the "food weapon."

International Institutions Must Be Strengthened

Though today we understand the reasons why the OPEC nations refuse to bind their oil price decisions in any way whatever, we cannot dodge the fact that over the long run orderly development at the world level is going to require the certainty of an agreed-upon price.

The attempt of the developing countries to wrest exclusive control of their natural resources away from the great international mining, agribusiness, and oil companies through recourse to nationalization has unquestionably led to a cutback in exploration activities and has slowed the development of those resources which require heavy initial investments. To turn this trend around, which must be done if we are to meet the development requirements of the Group of 77 itself, we must perforce find a new formula, different from colonial empire, but which similarly limits national sovereignty to some degree.

From this point of view the agreement recently reached in UNCTAD on the establishment of a Common Fund to stabilize raw materials

prices must be considered a step forward, despite its obvious inadequacy to the mission it is expected to perform. The negative attitude of some industrial nations is political in nature, being primarily concerned with control over Fund decision-making, rather than indicative of any aversion to the goals the Fund is supposed to reach. Finally, there is the matter of ocean resources (fisheries, exploitation of ocean-floor minerals), water resources, the environment (which is common to all and must be protected not only against smoke and fumes and plastic refuse, but also against radioactive wastes...).

All these factors lead us to believe that the solution of North-South issues also calls for a multiplication and a strengthening of international institutions capable of solidifying and operating with an international consensus so broad and all-embracing as to make the necessary limitation of national sovereignty acceptable. This is the approach proposed some time ago by Timbergen in his Rio Report.

Looked at from here and now, this prospect seems distant indeed, because practically none of the parties concerned seems ready to make any such commitment. Even so, some attempts -- in the United Nations -- have been made, and there will certainly be more of them in the years ahead. Their success is closely tied to constructive participation by all parties concerned, and that includes the COMECON countries as well.

The first case for which we have to try to take this road is that of the international monetary and financial system. After the collapse of the Bretton Woods agreement, the idolators of the market economy tried once again to sell the illusion that, all things considered, we could get along without an institutionalized system. A few years were enough to banish that illusion, and it is to be hoped that new negotiations will be starting very shortly. One of the prime objectives of any new system must certainly be that it include the Soviet Union, which kept aloof from the earlier one, refusing to join either the Monetary Fund or the World Bank. That decision has had a negative effect on the operations of both institutions, and also on the development of the COMECON countries. That was an aberration which it will be necessary to rectify.

13. In the two preceding paragraphs we have looked into two aspects for which achievement of any sort of East-West understanding would open new prospects for the North-South discussions. I should like now to devote a few words to argue, on the contrary, the minor importance of one aspect often deemed predominant: cutbacks in military spending.

Let me make it clear at the outset, lest there be any misunderstanding, that I am among those who firmly believe in the desirability of a reduction in military spending, and who scorn the

classical precept "si vis pacem...". I believe that arms reduction is a valid objective in and of itself. I also believe that, unfortunately, it has very little to do with getting over North-South conflicts, and that it would be dangerous to delude ourselves that it has.

Any progress toward a new international economic order will certainly make it incumbent on the industrial nations -- both those of the East and those of the West -- to undertake some costly and difficult processes of industrial reconversion. It is hence very probable, other things being equal, that there will be as protective an attitude as possible toward the existing industrial structure, so as to spread the trauma of a too-swift reconversion out over time.

Well, then: military expenditure is the counterpart of the operation of a specific productive capacity, and therefore not readily convertible. You can shift from producing military vehicles (land, sea, and air) to making civilian vehicles; but weapons production proper, like the production of sophisticated command and control systems, is for all practical purposes purely military. You can cut back on troop numbers in the armed forces, but if the economy's growth-rate is slow you may well make the problem of unemployment even more explosive. In other words, military spending must not be looked at as if it were a pile of money to be spent in one way or in another, at will. It must be perceived as a compound of human and material resources which at present are being used for military purposes. These resources could be put to alternative use for development purposes only in part, and then only after what is certain to be a long and difficult reconversion process.

For these reasons, it is probable that any major financial effort by the industrial nations on behalf of the Group of 77 will not be accompanied in any way by a desire to cut back on military spending: unfortunately, the exact opposite may well occur (primarily through lengthening enlistment times to cover up unemployment). Furthermore, we have already mentioned some considerations which would lead us to predict that a number of the developing countries themselves will keep their military spending at a high level.

All this counsels caution as to the benefits, in terms of development, which could derive from a cutback in military spending. The fact remains, however, that this kind of spending is increasing at present, and there is no doubt but that this is bad for development. At a minimum, therefore, we must try to slow the rise in such spending.

The Dangers of Detente

14. As we have argued that progress in East-West negotiations is necessary to permit meaningful progress in North-South negotiations, it is equally possible to argue the twin proposition that progress in North-South negotiations is necessary to permit further progress in East-West negotiations.

To tell the truth, the East-West negotiations have recently shown that they have a very solid foundation, and also a dynamics of their own which permits progress in spite of unfavorable conditions. The fact that the chain of events in Angola, Ethiopia, and Iran, and lately the Chinese blitz against Vietnam have not blocked the signing of a major agreement like SALT II is certainly worthy of note, and, in a number of ways, surprising. There is still the danger that the agreement will not be ratified by the American Senate; but if it is ratified, the way lies open for other major agreements. This is evidence that detente has an inner dynamics of its own.

Solid though the foundations of the East-West negotiations may be, though, we have already underscored the way in which the proliferation of destabilizing attitudes on the part of the nations of the South could give rise to the danger of a breach in the foundation of mutual trust which underlies the negotiations. There is, in other words, the danger that one of the parties might begin to believe again that the other does not really want detente, but is instead preparing for war.

There is yet another link, more indirect, but no less grounds for concern. That is the possibility that lack of progress at the North-South bargaining table entail a scenario of heightened conflict and economic crisis involving all the industrial nations, those in the West as well as those in the East. On this score, the experience of the Seventies leaves no room for doubt.

At the domestic political level, the outbreak of an uncontrollable crisis with international origins inevitably weighs in favor of conservative and authoritarian solutions. The return of the right, which has become clear to all in Europe of recent months, is closely linked to the fact that the international crisis ties the hands of governments and prevents progressive parties in power from making the policies upon which their electoral constituencies are based. A man who votes Labour does not do so in order to get an incomes policy, any more than a man who votes Social Democrat casts his ballot to keep a million chronically unemployed. The right will certainly not solve these questions, but bases its consensus on other issues, and takes advantage of the crisis.

The same holds true for the Eastern countries. There is bound to be somebody inside the Soviet Union who favors a scenario calling for an open and generalized clash with the Western nations. That somebody is certainly encouraged by the decline of the economic "overtake" scenario, and by the discovery that even this modest economic opening to the West has wound up making the socialist camp vulnerable to the crises of capitalism. Even from this angle, some progress in North-South negotiations seems, in the long run, to be necessary to the continuation of the detente process.

15. The reader who has had the patience to follow our reasoning thus far will have realized that many of the opinions expressed herein are still to be considered tentative. A deal of research will be needed to substantiate or disprove the various hypotheses offered, and this will be a job for the future. But right now I hope that, even if not all the hypotheses advanced have seemed convincing, nevertheless the fundamental point has been made: the interrelationships between the East-West and North-South negotiations are many, complex, and of paramount importance; and therefore it appears impossible for the two sets of negotiations to continue to unfold across two different tables, and with two different sets of players.

There are two possible solutions to the problem: the first lies in a complete split between the two sets of negotiations by means of strict subordination of the North-South to the East-West negotiations; the second lies in some form of linkage between them.

The first instance, it might be said, would fit with the hypothesis that the two superpowers decide to apply the "spirit of Yalta" to everybody, and choose two clearly mapped zones of influence, each of which will have its own North-South problems, but in such a way that this would no longer be allowed to interfere with the East-West negotiations. Here we have a scenario that will of course meet with little applause outside the two superpowers, but one which perhaps the familiar Martian dropping from the skies might regard with a degree of benevolence. After all, it might prove a realistic, though certainly not an optimal solution, and would make it possible to cut through a Gordian knot which poses a grave threat to mankind. It is certainly not an unrealistic solution, since it was proposed by the Nixon-Kissinger team, and met with an encouraging response from the other side. The strategy of "movement" initiated by Carter and Brzesinski has thus far yielded no better results.

Since we are not, however, Martians dropping from the skies, nor yet citizens of either of the superpowers, we can look upon such a solution only with suspicion. The alternative is to establish

channels of communication between the two sets of negotiations, and to that end the main political objective would seem to be getting the Soviet Union to participate in a responsible way in the North-South negotiations. The South is, as a matter of fact, already participating in the East-West negotiations, albeit from the sidelines.

Since on the economic level Western Europe (and not the United States) is the group that has most dealings with COMECON, we might say that it is primarily up to it to press for achievement of that objective. Yet, in all of the European left, there has been up to now only one single party that has attributed the slightest importance to it, and that is the German Socialist Party. It is not surprising that the Germans should be sensitive to this matter, since theirs is the country most interested politically in detente and in the development of economic interdependence between Western and Eastern Europe. Several spokesmen for the SPD have spoken out repeatedly on this score, and Chancellor Schmidt insisted that a reference to that effect be made part of the closing communique from the Jamaica summit, where he met with several heads of state from the Group of 77. However, the issue has never come up for debate in the European Community, and the rest of the European left seems quite unaware of it.

The hope is that the Strasbourg Parliament will seize one of the many occasions sure to offer in abundance to bring the issue before a broader segment of public opinion, and to push the national governments into more responsible, less short-sighted, and better coordinated behavior.

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MARTENS INTERVIEWED ON DOMESTIC PROBLEMS

Brussels LE SOIR in French 9 Oct 79 p 2

[Interview of Messrs Wilfred Martens, prime minister, and Willy Claes, vice-prime minister and minister of Economic Affairs, on BRT [Belgian Radio and Television--Dutch Service], "Confrontatie," Sunday [7 October]]

[Text] Concerning the health of the present coalition, the prime minister was seconded by Mr Claes in saying that relations within the government team were not tense at all. However, there are strong tensions within the country and among certain elements of the majority parties, Mr Martens declared. He thought the fact had to be accepted that parties collaborating in the government might have divergent opinions concerning the community issue.

The Comines school issue was naturally brought up in the course of the broadcast. The prime minister said that if the French speaking group did not want to apply reciprocity and refused Flemish minorities in Wallonia what was granted to Walloon minorities in Flanders, the whole system of language laws was endangered and a heavy mortgage was put on government reform and good relations within the country. Mr Martens said he was convinced that it should be possible to find an objective judicial interpretation of language laws, and he said the government will have to make some royal decrees to settle the four or five points of the 1963 language laws that are still undecided. Also, concerning the incidents with the police at Comines, the prime minister stated that a judicial investigation was under way, as were an administrative investigation and a disciplinary inquiry within the police force.

The two ministers also said, concerning incidents that occasionally take place in the country, that the government does not intend to yield to the general abandonment of responsibility or to the agitation of certain groups that commit unacceptable acts in times of crisis.

The prime minister also said that the government was ready to accept concrete, positive proposals from Parliament concerning the second phase of national reform as long as they went in the direction of the government declaration. The government's objective is to make regional and community autonomy possible as of the beginning of next year. If, on that occasion, people want to do certain things in parallel and simultaneously that belong in the final phase, there can be no objection to that, Mr Martens said, adding that in order to

complete the second phase of the reform, the government had had to send to Parliament more bills than it had planned to amend the constitution, and this actually constitutes an acceleration of the third phase.

In economic and social matters, Mr Willy Claes said he was worried that people did not seem to realize how great the crisis is. It is urgent and imperative to put public finances in order. As for social security, the minister confirmed that the Califice plan allowed for borrowing so that insurance companies would not have to cease payments. The prime minister also emphasized that the plan was not limited to short-term measures.

Mr Martens again stressed two points that he considered to be positive: the stability of the franc has been maintained, although with difficulty, and the rise in prices in Belgium has been less than 5 percent. If Belgium manages to decrease the net amount to be financed by 0.5 percent for four years so that amounts to be financed by borrowing decrease from 7 to 5 percent of the gross national product, we will be able to maintain the franc at parity in the future. This is the government's primary objective, the prime minister concluded.

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PS CONGRESS DEBATES GOVERNMENT PARTICIPATION

Brussels LE SOIR in French 9 Oct 79 p 2

[Article by Jacques van Solinge: "New PS Congress in Brussels on Sunday"]

[Text] Tournai, 7 October--Next Sunday the Socialist Party (PS) will hold another congress to determine whether it should continue participating in the government and to define the conditions under which the coalition in power might be maintained.

That was the decision made on Saturday evening by the PS bureau, which met in Tournai after the informational meeting. The vote of the bureau members was close: 9 to 8. Mr Andre Cools thus convinced a small majority of Socialist leaders that it was necessary for the members to vote after the offensives launched against the bureau by the two minority groups, Socialist Tribunes, led by Messrs Ernest Glinne and Jacques Yerna; and Socialist Analysis and Alternative, led by Messrs Edmond Leburton and Richard Stievenart.

We note that among the eight members of the bureau that opposed calling a new congress, there were some who considered it useless to take a week to think it over and felt it was important to settle differences immediately.

For several years now, the Socialist Party has been in the habit of holding an informational meeting the weekend prior to the convening of Parliament. This year the meeting was held at the Tournai House of Culture, and the subject was, as expected, the PS internal situation and strategy. The morning session went as usual, with reports from Vice-Prime Minister Guy Spitaels and the minister of the Walloon region, Jean-Maurice Dehousse.

The discussion, opened immediately after lunch, allowed the malcontents to have their full say. True, Mr Leon Hurez did open the congress by urging all the speakers to tell all they had on their minds.

Malaise, discontent and objections were expressed, though it was not possible to discern what the real feeling of the assembly was. Mr Leburton was warmly applauded, but Mr Cools was equally so. Messrs Francis Delmotte and Jacques Yerna, who expressed the viewpoints of the Tribunes group, had unmistakable

success, as did Messrs Spitaels and Dehousse.

It was to avoid letting the Party bog down in incessant internal struggles that a majority of the bureau members decided to settle things by calling a decision meeting for next Sunday, even though it meant taking the risk that the two opposing groups, the "leftists," the "Tribunes," and the "Alternative" "rightists" might unite to try to put Mr Cools and his partisans in the minority. This Monday, the PS bureau is holding a new meeting for the purpose of drafting one or more motions as precise and clear as possible to be sent to the federations for discussion.

The Leburton-Spitaels Match

The future tactics and strategy of the largest French-speaking political force in the country obviously depend on the outcome of the vote.

The Tournai congress had been opened on Friday by a study day for the French-speaking socialist Parliamentary groups. On that occasion, Mr Leburton launched a vigorous offensive against government policy and intentions on social security. As Mr Guy Spitaels was obviously the target of the former prime minister's attacks, he replied the next morning, "No, the insurance office windows will not be closed. Yes, our system of hospitalization will be maintained. Yes, pensions will be paid as before. How could anyone believe that someone who has been fighting for two years, often in a hard struggle, so that once abuses had been eliminated the substance of our unemployment insurance would not be changed would now let down the ill, the invalids and the retirees? How could anybody imagine that Socialist ministers would stay in a government that would do such a thing? Obviously, I accept free discussion, but I do not like people causing and inflaming anxieties that would, in the final analysis, redound to the detriment of the socialist movement as a whole."

A few hours later, Mr Leburton counterattacked: "My positions are disturbing the people in power. I want to start a discussion of ideas beginning with the problems of social security." For the rest, the former prime minister again pleaded for a common deescalation: "The people are fed up with Comines, Fourons, and Schaerbeek." He repeated that the FDF was a particularly cumbersome ally for the socialist movement.

A "Front of Malcontents"

Another respected opponent, Mr Yerna, stressed the danger in the PS's shouldering the responsibility for austerity measures: "It is better to refuse regressive social measures even if it means putting off regionalization, and it is better to refuse bad regionalization even if it means allowing the implementation of regressive social measures." For the rest, the secretary of the regional FGTB [General Federation of Labor of Belgium] of Liege-Huy-Waremme stated that he "refused to participate in a front of malcontents" within the Party, but that he could not be expected to ostracize "the other group," even if it could be called "conservative."

In fact, the atmosphere of the meeting was made somber by the possibility that a front of malcontents might be formed. Thus observers were struck by the warm reception given Mr Leburton by Mr Glinne at the coffee hour, when Mr Leburton had stepped down from the rostrum. Some people noted that the heartiest congratulations made to the mayor of Wareme came from people who had been disappointed in their political careers.

In any case, whatever people's motivations may be, the malaise in the Socialist Party is real. And the conflict includes participating in the present government.

Some people, like Mr Yvan Ylieff, the outspoken deputy from Verviers, are afraid that the CVP intends to extract further payment for the three-part regionalization that has been promised for the last two years. Others, like Mr Francis Delmotte of the "Tribunes" group, deplore the "attache-case realism" of some Socialist ministers. Finally, others are not satisfied with the tactics of the "front of French-speaking parties."

These tactics were hotly defended by Mr Dehousse in his reply to "Comrade" Leburton: "The declaration of the three French-language parties was limited to the communities issue alone. This declaration made it possible to take the heat out of the last election campaign and to favor deescalating the matter. Even if the FDF is an awkward partner, the declaration of the 'three' made it possible for them to stand up to the CVP."

The Party Crisis

President Andre Cools did not hide his party's crisis. "There are various criticisms, and a certain confusion prevails at the moment. We must then continue our work in order to reach a clear decision. In a party in crisis as ours is, there is only one time and place to make decisions: the congress. We have to put an end to these lying allegations about the absence of democracy. Let everybody's criticisms be reported in all the federations! I ask that a report be made on the remarks, ambiguities, contradictions, questions and answers. Then we will take up our responsibilities in the light of day. And we will accept the logical consequences of our decisions."

Speaking of their Metz congress, French socialists talk readily about "completed congresses." Their Belgian colleagues will complete their Tournai congress next Sunday in Brussels. Certain federations have already made their position known concerning government participation: Brussels, Charleroi, Verviers, especially. All three answered yes. Now the other federations must be heard from. They will also make known the conditions that could--or should--be imposed in continuing the present governmental arrangement. Everything seems to indicate that Mr Cools and his friends will remain in the majority despite growing discontent, the officials of the National Union, the Socialist associations, and the FGTB Walloon Interregional association. The question now is whether a possible alliance of the opposition (the "Tribunes" of Messrs Glinne and Yerna, and the "Alternative" of Messrs Leburton and Stievenart) might succeed in restricting the "president's men's" room for maneuver.

PS, FDF VOICE DISCONTENT WITH GOVERNMENT

Brussels LE SOIR in French 9 Oct 79 pp 1, 2

[Article by P.L.: "The PS and the FDF Kick Over the Coalition Traces"; passage in slantlines is in boldface in the text]

[Text] /Last weekend two parties banged their fists on the government table. The Socialist Party (PS), for one, decided to call a new congress next Sunday to discuss its participation in the government. The other, the FDF [Democratic Front of Brussels French Speakers] announced--though this was expected--an early meeting of the general council of the Party, "the sovereign organ concerning government participation."

/Does this mean that the chair of Mr Wilfried Martens, prime minister, is teetering? We shall see that while this question may be asked, the elements of a clear and definite answer are not yet available. Neither of the two French-speaking parties has yet called the government declaration into question. Although the prime minister is to redefine his program to Parliament next 17 October, it seems to be due more to the complaining within his own party, the CVP [Social Christian Party], than to the waves stirred up on the French-speaking side./

Let us look at the situation point by point. On one hand, it seems that internal conflicts have proven to be worse than had been thought at the PS congress on Saturday. Attacked on both the right and the left, the president and the ministers had to think of a reply equal to the assault. "Since that's the way it is," said Mr Andre Cools, in effect, "let's get together again next Sunday to count noses and find out whether we want to be in the government or not." True, this scenario is well enough known for it to be only half a surprise. The threat of returning to the opposition has often been enough for the PS, like other parties, to close ranks. Thus it would be quite bold to say that the Socialist Party is going to jump the government ship.

Desire for an Accounting in the FDF

What is the situation in the FDF? There are some dissatisfied people there, too. According to some, they are increasing in number. There is one difference, here, however, compared to the PS: the principal party leaders themselves have not hesitated to show their dissatisfaction publicly in the last few weeks.

The idea of calling a general council meeting to consider government participation is not a new one. A movement to withdraw from the government cannot be completely ruled out, although the FDF strategists have so far shown themselves more anxious to observe the government agreement than to renounce it.

What is new, in this respect, more than the official announcement of the meeting, is the statement that one of the respected Party councilors, Mr Francois Martou, made to the "Free Wallonia" colloquium on post-regionalization. The gist of it is that French-speaking circles have a response ready to a possible new failure of the current regionalizing. "We agree to a double federalism," said Messrs Martou and Mordant, president of the RW [Walloon Rally]. "But in that case, Brussels will belong to the country's French community, to Wallonia itself. All that will be left of the bilingual capital will be a very limited perimeter in which the main government administrative agencies will be located."

Even so, one may wonder whether, internal conditions notwithstanding, the PS and the FDF did not want to put the prime minister on the spot, and through him, the CVP. In other words, they are not giving up on the government agreement. But they are not hiding the fact, either, that they are on the point of breaking away. That being the case, if the CVP insisted on a merely "minimal" regionalization, the government's chances would not be worth much.

Mr Martens does seem to have understood the matter in that way. It is already known that he will remind Parliament on 17 October of the commitments that he made when he took office. It is a way of asking whether the majority is still ready to go this route with him.

Mr Martens Takes the Initiative

However, the prime minister also implied on Sunday on the BRT [Belgian Radio and Television--Dutch Service] that the third phase of institutional reform, that is, the final phase, could be started at the same time as the second phase, which he called "transitory and irreversible."

What does that mean if not responding to the wishes of the federalists in the southern part of the country while at the same time satisfying that branch of the CVP that is balking at the second phase on the pretext that it does not know what directions the third phase will take.

What is sure is that the storm is blowing all about and the boat captained by Mr Martens is being heavily buffeted. However, the helmsman is putting the ball back in play. There is a strong possibility that the cards may be reshuffled, especially if the FDF proves to be open to new ways. Nothing yet indicates, on the other hand, that there will be a substitution of players.

STRAUSS READY TO ACCEPT STRONGER SOCIAL PLANK FOR CDU-CSU

Bonn DIE WELT in German 20 Sep 79 p 2

[Article: Manfred Schell: "Union Program Plans: Promote Family Assistance, Reduce National Debt"]

[Text:] Bonn--The willingness by Franz Josef Strauss, candidate for the chancellorship, to add to the election campaign program an accent on family policies has apparently increased. A preliminary decision is expected after a round of talks which will take place tomorrow in Munich. In attendance will be Strauss and CDU Chairman Helmut Kohl, as well as four additional leading Union politicians. As a result, the Bundestag parliamentary group of the CDU/CSU postponed its budget discussions after one round of talks in order to await "recommendations" from the Munich conference.

To date the following campaign route can be observed: The Union does not want budget increases, it is demanding a reduction of the national debt. The extent of the latter has not yet been finalized. In addition, the Union is insisting on its demand to bring about a reduction in secret tax increases as early as 1980 during the first rate correction. It has not yet been decided whether the expected initiative proposed by the Land of Bavaria will be supported for this purpose or whether the Bundestag parliamentary group will initiate its own proposal.

Under discussion among Union executive board members is also the demand for a small increase in the defense budget. Under consideration are approximately DM 500 to 700 million. The size of the increase in the defense budget is to serve as a warning signal by the Union, because they feel that it would document the will for defense capabilities and, above all, counteract the impression, as Helmut Kohl has said again and again, that the SPD is propagating with increasing intensity a concept of "demilitarization without security."

During the parliamentary-group discussions the desire of the delegates became more and more pronounced to seek additional benefits for families. Behind this is apparently the concern that the population might not adequately appreciate Union efforts for reduction of the national debt because at the present time it was not aware of the consequences of the burden of the debt.

For that reason, several parliamentarians demanded that the Union must also produce something in the area of family policies. In this connection there were indications within the CSU that, although Strauss had reservations, there were no objections in this regard. Two possibilities exist: Either the Union will renew its proposal to extend the existing motherhood regulations for employed women also to housewives, or it will agree on the big solution-- that is, paying DM 500 per month for a period of 18 months as an education subsidy. Helmut Kohl is among those who want a resolution on family policies. He told the parliamentary group that the Union must be prepared for the fact that next spring the chancellor might present an amended budget which will include an extension of the motherhood regulation to housewives.

The funds for increased defense outlays and the initiative for family policies are to be made available through a reshuffling of the budget.

When during a talk between CSU General Secretary Edmund Stoiber and DIE WELT the conversation turned to the riots in Essen and Cologne, Stoiber said that he did not think much of the question as to whom these events would ultimately benefit. They damaged democracy and revealed a "change in quality when compared to earlier disturbances." Said Stoiber: "It is a case of militarily organized groups who took lessons from the SA and SS." These incidents were a consequence of the "perfidious presentation of the person of Strauss," which was also being done by the SPD.

With regard to preparation of the election campaign, Stoiber said the CDU and CSU had assigned "homework." Anyway, on Friday there would be "preliminary decisions;" for instance, about the use of Strauss, his talks with the party base (district chairmen and district business managers) and the establishment of the program and goals. Stoiber was of the opinion that program and personnel options were the decisive factors for an election success, giving more prominence to personnel components.

In the meantime, in letters to North-Rhine-Westphalia's chairmen, Heinrich Koeppler and Kurt Biedenkopf, Strauss requested that organizational defects which had apparently shown up in Essen be eliminated. This request was met. According to statements by the Duesseldorf CDU, security measures will be increased this afternoon when Strauss makes appearances in Herne and Bochum. For instance, the speaker's podium is supposed to be sealed off by a police cordon.

8991

CSO: 3103

CDU LABOR WING DEMANDS PART IN WRITING PLATFORM

Hamburg DIE ZEIT in German 21 Sep 79 p 2

[Article by Gunter Hofmann: "Union Left Wing Demands Voice and Part in Formulating Election-Campaign Program"]

[Text] Krefeld, September--A candidacy is worth whatever the party makes of it. That is what Kurt Biedenkopf is saying when addressing the conscience of the Union; it should go all out for Franz Josef Strauss. Of course, the candidate feels that the bulk of the party is united behind him; however, he is angry at "a few gentlemen" who "are sitting on the sofa" with "folded arms and watching to see whether things go well or not." Thus, what has the CDU done to date with the candidacy?

Statements in support of Strauss are made daily; there are almost too many. Simultaneously, the camp of the non-Strauss Union is being formed. They are the "losers," as Kohl calls them. They are surveying the situation to find out what unites them, and they are trying to formulate conditions to be presented to Strauss.

The kind of testimonials that might be heard, for instance, was demonstrated by the Union social committees (CDA) in Krefeld. With spontaneous enthusiasm that bordered on a gesture of symbolic resistance, they celebrated CDU General Secretary Heinrich Geissler. He stood when others swayed. There were also ovations for the defeated Ernst Albrecht, who "was touched" by it. Here new heroes are rising up. On the other hand, the "German oaks with their collapsible joints," as Strauss called his halfhearted supporters once, have lost respect everywhere during the course of the Union dispute.

It is apparent that there is an increasing number of those who are again willing to defend at least a minimum of political assets against Strauss when called upon. At stake are substantial matters: First of all, the character of the CDU as a "people's party." It was not an accident that Ernst Albrecht received the applause of the social committees when he stated that now many were "more conscious than in the past" of the fact that the CDU was the

people's party--"and it certainly must remain so." Secondly, it must be settled as to what face "conservatism"--which is supported by the party--should take on in the future. A policy with very simple answers--essentially populist? Or open and argumentative?

It seems that particularly those who had united during the 1975 Mannheim party convention--to the annoyance of Strauss--felt that it was their duty to save party assets. At that time it looked as if the future belonged to this pact of the Geissler wing that had gathered under the banner "New Social Question," together with the Young Union and women.

In 1978, in Ludwigshafen, this coalition stood the test for a second time, although it was already a little hard up. It barely managed to get approval for a program of principles, the "conservatism" of which definitely opened up opportunities for dialog with the other parties.

On a third occasion, the Union alliance wanted to support Kohl in his effort to add a "progressive aspect" to the everyday activities of the parliamentary opposition against Alfred Dregger and others. At that time the more liberal Union appeared ready but it did not proceed. Now, however, it remembers again--the Young Union and Matthias Wissmann cautiously, the social committees with Geissler and Albrecht more openly--that the Mannheim majorities still exist and that not much at all has changed within the CDU.

Today even harmless, commonplace programs of the time (like the one which states that the needs of people must take precedence over economic interests) are occasionally treated like precious relics on a changed CDU background. Now Geissler must protect the social committees against Union opponents who "classify them as enemies." At that time, Norbert Blum could attack the labor unions. Today he is protecting them against veiled threats by the CDU: It was no accident that more union bosses than ever before were the guests of the social committees.

Thus, fronts and interests have shifted. All the defense speeches in their new style cannot be explained solely with the concern about what is going to become of the CDU if it fails in 1980 with candidate Strauss. Will it then have to start all over again? Ernst Albrecht is saying that it is important not to move the "center" so far that opponents of Strauss' policies would ultimately not be able to find a spot; an attempt is being made to reach a minimum of plurality.

There is no "declaration of war" on Strauss here. The willingness for peaceful coexistence is considerable. But it also demands a price: the acceptance of opposing views; dialog within the party; no rigid unanimity of the kind which--at least to the outside--has existed to date only within the CSU. For the time being, however, Strauss' political bodyguards are still suspecting every wrong sound from the ranks of the CDU, as if it

originated with the worst political enemy. Even the CDU, which is not crazy about Strauss, wants to have a voice, possibly even participate in decisions, and both these items are supposed to be written into the election program and be represented by the shadow cabinet. The factual symbol for this is: money for families. The personal symbol: Heinrich Geissler.

Moreover, they all want to recognize themselves in the Strauss Union. It is almost inevitable that the significance of the "people's party" and programs be rediscovered at a moment when some Christian Democrats fear that the CDU might succumb to the seductive powers of simple answers and resolutely determined "problem-solvers." They know that this might not be without risks, because the dissenters in society about questions concerning the future--growth, nuclear energy, desirability of technical progress--have in reality touched all parties, even the CDU.

Consequently, Geissler, Albrecht and Blum are on their guard to protect the CDU from those who want to "change the system" and "who do not always come only from the left," as was formulated by the chairman of the social committees. Also, they cannot simply be assuaged with a message sent by the CSU in a telegram, informing them that in reality Strauss is "quite different." Even without overestimating the social committees: They and Strauss are worlds apart. The unconventional congress in Krefeld, lacking any kind of bureaucratic machinery, with bag and baggage, and above all with open dialogue and arguments, was something like a quiet countermeasure to the show of force in Essen, which occurred simultaneously around Strauss and his enemies. Here was an attempt to depart from the old and learn to speak again; there were politics in the old style, under old flags and without many words.

This faction of the Union is predicting that there will be conflict if the Strauss CDU uses "dismantling of the social-welfare state" as a topic. Therefore, Ernst Albrecht receives a great deal of applause when he states that the social-welfare state would only cease to exist "when there is no longer any injustice or need." It is becoming the key question within the party.

On the day of the CDA congress and the spectacle in Essen, Kurt Biedenkopf gave different information in the Bundestag about what the CDU could make of the candidacy. To be sure, he used the premises which also prevailed in the social committees: In the future we cannot any longer count on increases in the growth rate. Neither should they be forced "artificially."

The "employees" of the CDU, however, are drawing the conclusion that this would call for a redistribution policy--shorter period in life spent working, longer education leave, elimination of false subsidies, more development aid and government assistance for foreigners, unemployed youth and families. Biedenkopf, on the other hand, reduces the social-welfare state model to its bare essentials. If citizens wanted to work only enough to produce a 2-percent

rate of growth "voluntarily," that is their own business, and the government should not "subsidize" the rate of growth to increase it to "4 percent." How much unemployment would result from it is a question which remains unanswered, as is the question concerning who would bear the burden of the redistribution policy espoused by the liberal Biedenkopf. For the time being, the CDU is applauding such theses. But Strauss, who is wooing workers and "little people," finds himself in a corner.

Occasionally Helmut Kohl identifies Strauss' positions more clearly; in general, however, he clears the way for Strauss. He is a good loser, as if he never cared about political content, the image of the Union and moderate conservatism. The "counterreformation," a name which was given to the Krefeld congress by a CDU person who attended the congress, is certainly not headed by the CDU chairman. The question is, for whom does he still speak? It is easier for Alfred Dregger: He is in command the way Strauss was in command before he became a candidate for the chancellorship. Lothar Spaeth, a Strauss supporter, is trying to gain the influence of his Munich minister-president colleague; everyday affairs around Strauss are creating difficulties. The Saarland, headed by Werner Zeyer, is supporting in the Bundesrat a [nuclear] waste-disposal concept sponsored by Laender with SPD/FDP governments. Bernhard Vogel and Gerhard Stoltenberg are abstaining. Here pragmatism in government is winning out over party adherence according to the model of Strauss and Zimmermann.

Thus, there are many rifts within the Union over Strauss, their candidate for the chancellorship. Anyway, the Union, which did not want Strauss, is deriving a quasi feeling of solidarity for Strauss from the fact that eggs are being thrown at the candidate. Finally, there is also a trace of solidarity when everybody gathers for an appeal under the picture of the common enemy. There he is again, the technocrat, the "ice-cold machinator," Helmut Schmidt. The people who are grumbling the loudest are those who are most skeptical toward Strauss. Sometimes it looks as if the chancellor is being attacked with such ardor in order to take away some of the disappointment over the candidate for the chancellorship.

8991

CSO: 3103

CDU SOCIAL COMMITTEE CHAIRMAN DISCUSSES STRAUSS

Hamburg DER SPIEGEL in German 24 Sep 79 p 36-39

[Interview with Norbert Blum on Strauss and Social Committees: "We Are No Adolescent Fan Club;" date and place of interview not given]

[Text] [Question] Herr Blum, "the limits of the social state" have been reached for Franz Josef Strauss, the chancellor candidate of the CDU/CSU. Can the CDU social committees, whose chairman you have been for 2 years, accept such politics in the election campaign?

[Answer] If that means the limits of the individual worker's burden, then the social committees have to agree without reservation, for the government participates at every wage negotiation and is the laughing third party. Income taxes have been rising twice as fast as incomes.

[Question] But Strauss does not mean that when he talks of "limits of the social state."

[Answer] I cannot see a meaningful statement there otherwise. It is just as impossible to speak of the limits of the social state as the limits of the constitutional state. I am against the misunderstanding of equating the social state with the welfare state. The social state will exist as long as there is privation and social injustice. And no one will deny that privation still exists in the FRG. A total of 50,000 widows on social security receive pensions of less than DM 250; 6 million citizens exist below the poverty level. Half the workers families with four children live below the social aid level. For them the limit of the social state has not been reached.

Besides, the social state cannot be expressed simply in marks and pfennigs. When unemployment increases, for example, social costs rise but the social state does not grow.

[Question] Is Strauss wrong then?

[Answer] If Strauss translates the social state as a money-distributing state, than that is not my understanding of the social state.

[Question] Do you agree with Strauss' thesis that new social services can be promised only if they can be financed by corresponding economic growth? Do you see social policy as dependent on the growth of the economy?

[Answer] Then we would make social justice an appendage to growth, and such thinking would come to an end when growth is no longer as impressive as it has been in recent years.

[Question] That means that for you--which is not the case for Strauss--social policy is called for even in times of insufficient growth.

[Answer] Especially then. But it is certainly also true that we have to be economical with our money. Because social policy is also financed by the workers.

To expand on this topic at this time, I am against calling aid to the little man social policy, and having to justify it constantly, and calling aid to business economic policy and living on general trust. When money is tight, it is tight not only for social policy but also for economic policy.

The sacred cows are grazing elsewhere altogether. Financial aid to business has risen 228 percent in the last 10 years; spending for social security only 189 percent.

[Question] At their federal meeting the week before last, the social committees once again passed a whole catalog of social policy demands; for example, the demand for further lowering the flexible retirement age, for partner pensions and money for education. Can anything be stricken from this?

[Answer] If we cannot come up with 3 billion--which, to begin with, is the figure for the education costs--in a budget of 215 billion, then I am for abandoning our family policy altogether and prohibiting ceremonial speeches by family policy speakers. And the other points that you named, they are not special brainstormers of the social committees; these points are in the CDU platform. Platforms are not flea markets where everyone looks only for what he likes. Platforms are for all and do not change with the chancellor candidate.

[Question] Strauss says no to the education money because he wants to make the debt policy of this government one of the main points of attack in the campaign against the social-liberal coalition.

[Answer] We go along with the idea of decreasing the debt. But to tie the decrease to the education money would be like shutting off the ventilator when a tornado was coming. The public debt is 100 times higher than the cost of the education money. Families financed the social system at a higher than average rate and participate in it at a lower than average rate. Therefore, housecleaning in the federal budget cannot start here.

[Question] You made it clear at the Krefeld congress that your support of Strauss depends on whether he fulfills your demands. Was that just a congress speech idiom?

[Answer] What do you mean, just a congress speech? We have the same speeches at the congress as after the congress. My standpoint does not depend on the point in time, and my attitude does not depend on the place. How should one conceive politics? In the support of people it is always a matter of agreement with political content; we are not an adolescent fan club.

[Question] Chancellor candidate Strauss has often criticized the fact that a part of the CDU does not support him actively enough. One cannot have, says Strauss, "some who sit on the couch watching to see whether things are going well or not." Do the social committees feel this addresses them?

[Answer] Well, a CDU member who daily stands at a vise or an assembly line and has to defend the CDU, he stands in a factory and does not sit on a couch. The couch is not part of the political furniture of the social committees. That party will win the election which can mobilize its followers the most strongly. It does not matter who can print the prettiest posters; it is a question of whether our politics has representatives in the factories--and not at the diving stations but on deck, and if necessary in stormy seas.

[Question] Strauss does not seem to put too much hope in the social committees, or else he would have come to you in Krefeld.

[Answer] I am assuming Franz Josef Strauss' political cleverness. The social committees need the chancellor candidate. Opposition can be nice; government is more effective. We want effectiveness. But not only do we need him for this goal; he needs us. Whoever wants to campaign for election while ignoring the social committees has our wishes for a bon voyage. He will not arrive at his destination. We depend on one another, and such reciprocity is the steadiest form of cooperation. No one has to say thank you then.

[Question] Can you imagine that the difficulties of arriving at a common political expression for the federal election campaign of 1980, one that can be supported by all without reservations, will become too great in the Union? And that speculation will then grow that Franz Josef Strauss will develop even less desire to be a chancellor candidate for those CDU people whom he is already accusing of lack of support?

[Answer] Well, first of all, what does even less desire mean? I do not see this lack of desire, and as is well known, zero cannot grow, either mathematically or politically. Second, I do not understand why you are hinting at Strauss' being tired of his office. After all, one thing is clear: We have not organized the chancellor candidacy as a relay, where one person simply passes the baton when he does not want to run any farther.

It is a long-distance race, and Franz Josef has entered this race. The bell has rung for the last lap.

[Question] And you and your friends are standing on the sidelines as observers?

[Answer] No, we are all going to help him, so that this race can be run and won as a team race.

9232

CSO: 3103

STRAUSS' REACTION TO LEFTIST DEMONSTRATORS DISCUSSED

Hamburg DER SPIEGEL in German 24 Sep 79 p 34

[Article by Rudolf Augstein: "End of the Cretaceous Period"]

[Text] It could have been predicted for next spring in North-Rhine Westphalia: Determined and well-organized hecklers, and facing them a totally out-of-control Strauss. But it came immediately after the summer vacation, in a local election where it is not a question of power in NRW, never mind Bonn, but of city highways and excavators.

Everyone who saw Strauss being drowned out in Essen and promptly giving a sample of his vocabulary of curses could imagine Strauss during the confrontations of 1961 and 1962, when he did not succeed in a kind of cool coup d'etat during the SPIEGEL affair. Obviously it is not enough for the wolf to eat "chalk" while the little goats are organizing themselves into a heckler-union.

Anyone who has ever been drowned out or kept from speaking by ear-splitting noise during a meeting--something that has happened to us--initially has sympathy for the man at the microphone who is being ridiculed.

It is clear that any kind of violence is wrong and that any kind of law has to be respected by everyone. It is true that the government organs do not themselves always respect their own laws, but they can call into effect the state of emergency [declaring] that they are the state--thus, a permanent state of emergency--and therefore permanently above the law.

All this is true also for Strauss, the chancellor candidate, who should not be prevented from speaking. Regardless of whether it does him any good, he should be able to express himself freely. Regardless of whether it is beneficial or harmful to him, he should not be driven to a beastly anger that necessarily distorts him to the point of becoming recognizable.

This at any rate is the good, just, civil-rights side of the coin. No one has the right to effect a kind of supralegal state of emergency against Strauss. But, turning the coin over, there is also a reciprocal loyalty between the parties and the voters.

Since the losers in an election have to accept the election winner even though grinding their teeth and shaking their fists, they can demand from all the parties represented in the Bundestag that they present only a chancellor candidate that is not completely objectionable to the losers; this was the case in all previous Bundestag elections, but not this time. Name an EC country where Strauss would be conceivable as a potential government leader.

One does not have to dig deep in the past. One can even be of the opinion that even in politics there could be a kind of amnesty. Accordingly, Strauss would have been in jail until 1966, would then have been partially rehabilitated as federal finance minister of the Grand Coalition and fully as Bavaria's minister-president--all "bodychecks" having been forgotten. Thus one might think it were only a matter of things from the distant past and of scandals.

But the things that the opposition politician said in November 1974 in Sonthofen and repeated 2 years later word for word on tape in the "Wienerwald speech" disqualify him. His blackmailing methods also disqualify him: to first swear by all that's holy that he too could not win the Bundestag elections without a new party formation, solely in order to get to the top using this pressure of a split; and the next day, disregarding yesterday's words, to present the caricature of an immoral power-hungry man who suddenly wants to serve not as a splitter but as a unifier.

If the politically interested youth were to accept Strauss as he has presented himself politically during the last 5 years, as a possible chancellor candidate, there would be no help for them or for the country.

Eggs belong on the breakfast table and not on Strauss' face. But what came out of this face in Essen showed a chancellor candidate who makes us fear only grim prospects.

One can understand the young people who say that Strauss makes them disgusted with the whole system. Since Essen there is no more "chalk-eating." Rather, the lines from the poem "The Ichthyosaur" by Victor von Scheffel, the merry fraternity man, are valid for Strauss, the chancellor fossil:

At the same hour
All the saurians died,
They got down too far into the chalk,
So naturally all was finished.

9232

CS0: 3103

ANALYSIS OF NORTH RHINE-WESTPHALIA ELECTIONS: VOTERS IRKED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 2 Oct 79 p 10

[Article by Lothar Bewerunge: "The Results of the North Rhine-Westphalia Communal Elections Are Many"]

[Text] Duesseldorf, 1 October--The voters now apparently have come of age to a point of irking the parties. They punish a bureaucratic rule in the cities, municipalities and rural districts wherever it has become a solidly built power cartel in the course of tens of years. Rewarding the respective opposition, they lend encouragement to democratic change. Apparently they also want clear majorities and are tired of systems that procure majorities which they then invariably portray as "tested coalitions." These are some of the lessons the parties have to learn from Sunday's communal elections in North Rhine-Westphalia. While the voters' desire for corrections is as yet too much in its beginnings to bring about any momentous changes to speak of, it equally hits the CDU and the SPD in their traditional strongholds and draws the FDP into a whirlpool from which there hardly seems to be any escape any longer.

The total Land result does not give any indication of what really happened. (The CDU obtained 46.3 percent of the vote, the SPD 44.9 and the FDP 6.5, with the CDU again scoring slight gains over 1975, whereas the SPD and the FDP suffered losses.) An old experience has been confirmed. The SPD and CDU each suffered losses in their strongholds. This means that the CDU caught up in the Ruhr while the SPD stabilized at a lower level in extended parts of Muensterland and Sauerland and also in the Eifel. Paderborn, with CDU losses of 3 percent accruing to the benefit of the SPD, is as striking an example of this as Duisburg, where the CDU made the same kind of gains at the expense of the SPD. The respective majorities have thus shrunk without this already foreshadowing a change in power. The situation is different in Duesseldorf or in Hamm, where the two large parties had already been neck and neck. While Duesseldorf henceforth will probably be administered by the CDU (which probably will need FDP help to do so), the SPD managed a bare majority in Hamm, but only because the FDP was left stranded.

The wailing by all parties about the small (75 percent) voters' turnout is only an excuse intended to play down the events affecting them, varying from locality to locality. The 1969 communal elections also only had a turnout of 68 percent. The comparison with 1975, when 86 percent of those entitled to vote went to the poles, is a lame one because at that time the election coincided with the Landtag election. There are a lot of indications that the elections in North Rhine-Westphalia on Sunday for once were again purely communal elections unprejudiced by either Land or federal politics. The CDU and SPD could also take credit for the fact that they got the voters' approval wherever they engaged in responsible planning and administration and where there was no excessive bureaucracy. Nevertheless the SPD appears to have had trouble getting all of its potential voters to the polls. This is shown, for instance, in the workers quarters of Cologne, where not even half of the citizens went to the polls.

Strauss an Uncertain Yardstick

Since Strauss, the candidate for chancellor, made four appearances in the election campaign on the Rhine and Ruhr, the question arises as to whether he made a difference. On the surface it appears that he did, for in Essen, Cologne, Herne and Bochum, where Strauss made speeches, the CDU consistently scored gains, sometimes up to 2 percent. But this is also true of other cities of the Ruhr and the Rhineland. In other words, there is a general trend to which it is hardly likely that Strauss contributed. If one wanted to take Strauss as a yardstick, the CDU losses in other parts of the land would also have to be attributed to him. All parties fare better with the thesis that in these communal elections no test took place for next year's confrontations in Duesseldorf and Bonn. With their differing vote from locality to locality, the citizens also showed that this was not their aim.

Thus, whereas the SPD and CDU, if nothing else, can find consolation after the inroads into their strongholds in news of successes from their respective diasporas, it almost looks like a catastrophe for the FDP in North Rhine-Westphalia. Between the claims by the CDU and the SPD for clear majorities, the FDP was pulled in all directions to such a degree that the voters tore it to pieces in important towns in the process. In Essen, Oberhausen, Gelsenkirchen, Bottrop, Hamm, Herne and Dortmund, there is no FDP in the city halls any longer, and in Duesseldorf, Duisburg, Cologne, Recklinghausen and Unna, it was only barely able to scrape by. In Bochum, on the other hand, where the FDP made a stand as an environmentalist party, it managed to get into city hall again. These developments are warning signals: the FDP has suffered much more than the SPD from the green and varicolored combinations of lists, which in part entered into alliances with communist splinter groups. Its Land result of 6.5 percent is once again a margin which is bound to make it tremble.

Probably this will, after all, lead to a change in the top leadership in the coming months, despite the fact that the FDP Land chairman and economic minister, Riemer, has already stated that what is important now is to secure

and continue the coalition with the SPD at the Landtag elections. There are towns in North Rhine-Westphalia in which the DKP or the Varicolored List already has more voters than the FDP. In the face of the Landtag elections, the SPD will therefore give some thought to the question whether it should go the whole hog, in order at least to end up as the strongest party ahead of the CDU if the FDP should not be able to attain the 5-percent survival quorum any more. Its procurer of majorities in the city halls, who this time wanted to "keep open the options toward both sides," got the worst jolt from the voters.

The DKP and the groupings of environmentalists, who in part took militant stands, have remained insignificant nationwide. But they both scored partial successes which they themselves will regard as encouraging. In addition to Bottrop and Gladbeck, where it already was represented in city hall, the DKP got into city hall in Gevelsberg, Ahlen and some smaller municipalities. In Marl, Muenster, Leverkusen and elsewhere the environmentalists henceforth will have a say as an "alternative list," while they missed this target only barely in Cologne. It is generally apparent that the Greens were able to make an impact as so-called "alternatives" wherever industrial towns are also university towns.

Only Two Parties Count

The successes of the Varicolored Lists cannot, however, be interpreted as a vote against nuclear energy. In Ahaus, where the first big nuclear waste storage area is likely to be built, an Antinuclear List did get 25 percent of the vote, but the CDU retained its absolute majority. And in Kalkar, where the fast breeder is being built, the CDU even managed to expand its stronghold against the general trend. This too shows that these communal elections had a vast number of results which can only be fitted into a variegated scheme of things. Various motivated, the voters set all kinds of things in motion. The parliamentary parties cannot be sure that they will be able to stop this at the next Landtag and Bundestag elections. The big party machines will not have any time to rest.

All in all, however, the communal elections have confirmed the fact that the cities, rural districts and smaller communities on Rhine and Ruhr will also remain firmly in SPD and CDU hands in the next 5 years. This is particularly evident in the Ruhr, where the governing SPD and the opposition CDU in the council chambers--with a few exceptions--will be almost the only ones to represent the citizenry. In the largest industrial center of the FRG, the trend toward only two parties being left to face each other has progressed the furthest.

8790

CSO: 3103

POSSIBILITY OF COMING ECONOMIC RECESSION EXAMINED

Hamburg DIE ZEIT in German 28 Sep 79 p 1

[Article by Michael Jungblut: "Clouds Over the Economy"]

[Text] If the public opinion researches are right, Franz Josef Strauss has hardly a chance at the moment of becoming chancellor in 1980. As long as gasoline and heating oil continue to flow, violent strikes do not frighten the citizenry, and employment remains secure, the challenger from Bavaria is not likely--on the basis of the results of public opinion surveys to date--to manage the unsaddling of Helmut Schmidt. But he might succeed if a number of unbid campaign helpers checked in for duty at the right time: inflation, increasing unemployment, violent social disputes, energy shortages.

Will these dubious helpers play a role in the election campaign? The Kiel Institut fuer Weltwirtschaft [Institute for World Economy], in its most recent statement on short-term economic policy warned the federal government that its own activities were quite apt to call forth some of these phenomena. The institute sees signs of a new global recession and fears that the economic upswing might shortly begin to weaken again also in the Federal Republic. [The Kiel economists] the northern lights among Germany's economic prophets, believe that the federal government and the Bundesbank [Federal Reserve Bank] are concentrating too one-sidedly on the battle against price increases. In their opinion these policies will steer the economy abruptly from the boom into a depression in 1980.

Yet, the most variegated opinions and judgments exist at the moment with regard to the evaluation of the state of health of the economy. In its most recent report the Bundesbank paints a picture which, by contrast, is rather rosy: In the first half of the year entrepreneurs and private households invested and consumed untiringly in spite of drastic increases in the price of oil, the number of employed is 300,000 higher than it was a year ago, and overall economic output has grown by 4.3 percent. Until now there have been hardly any signs that the upswing is slowing down. Even pessimists can no longer doubt that the German economic engine, which at the moment is running at almost full steam, will attain--or possibly even exceed--the growth goal of 4 percent envisaged for this year.

Nonetheless a feeling of disquiet is spreading. The almost hysterical run on gold, which in the last few weeks has at times led to insane price jumps, is a symptom of the worldwide increase of uncertainty. The latest seizures of dollar weakness and the revaluation of the mark within the European Monetary System also tend to be seen by many as signals of trouble ahead. In order to interpret these correctly and to be able to weigh chances and risks, the fields most critical for our economy have to be considered separately one at a time.

--Exports: As so often in the last 3 decades, "German economic trends of the last months received their strongest impulses from abroad," the Bundesbank notes. Export business, on which every fifth job in Germany depends, benefited from the fact that the exchange rate of the mark against most currencies hardly changed during the first 8 months of this year. Since prices are rising faster in almost all our trade partner countries than in the FRG, German exporters had an easy time effecting sales.

How Deep Is the Valley?

The joy about this may, however, be of short duration. The surging of inflation in France, Great Britain or the United States forces these countries on to a course of stabilizing policies. Even the optimists among our economic prophets no longer deny that for the United States it is almost impossible to find a course which avoids recession. Only the question of how deep and how broad the valley will be remains in dispute. If the Kiel business experts are right with their concern about exaggerated reactions in the battle against inflation, the flow of orders from abroad might run rather more thinly next year.

--Oil supplies: The danger for German exports will grow even more if in the coming year the OPEC countries were again to take as lusty a bite as this year in spite of their repeated averrals of coresponsibility for the state of the world economy. At the headquarters of the BP British Petroleum group in London it is thought possible, on the basis of information at hand, that the OPEC price will rise to \$30 per barrel next year. The Western industrial countries, which have just barely managed to deal with this year's price shock, would in that case have to expect a trend of their average growth dropping toward zero. Rapidly rising inflation and unemployment would ensue. If then the cutback of oil production announced by several oil countries (to keep prices high, or because they are not in a position to place all that money) were to lead to supply problems, the crisis would be full-fledged. Hence it is high time that the OPEC representatives be told very clearly what might be the consequences of their policies. The meeting of the Arab members in Algiers and their contact with the European Community offers an opportunity for this.

If next year price or supply crises were to occur with respect to gasoline and heating oil, a possibility which no one can exclude today, the German public will suddenly have a much more open ear than is the case today for

the failures of German energy policy--and that means above all the delays in the construction of nuclear power plants. Strauss the campaigner would then find it twice as easy to saddle the government with the failures in the battle for energy independence.

--Currency: The dollar's attack of fatigue is a clear sign that the quiet which for 8 months has been prevailing on the currency front is not going to be of long duration. The suspicion that a further decline of the American currency is inevitable is strengthened by rumors that Washington intends to take the dollar, which behind the scenes had forever to be artificially supported, back to a "new defense line" of 1.75 marks. Two developments are of decisive importance here: First, the rate of inflation in America, which is again accelerating from a trot to a gallop and which--especially in an election year--cannot be slowed abruptly, and second the incapacity of Carter to slow down the flow of dollars to the petroleum countries. The jogger of Washington is merely running on the spot in his energy policy.

--Price development: The rate of price increase in the FRG looks worse at the moment than it really is. If the cost of living rises by at least 5 percent in September, October and November [in comparison to the preceding year], the reasons for this are to a large part statistical. Since the rate of inflation declined in the second half of 1978, the relative distance to the corresponding month of the preceding year would increase even if prices at the moment were stable. Moreover, the inflationary charge of the value-added tax increase and of the oil price rise has been largely spent. And the effect of higher import prices is being mitigated by the slight revaluation of the mark.

The Roll of Loderer's Drums

This should make it easier for the Bundesbank not to bear down on the brake pedal with a leaden foot. In addition it will have to apply also to its own policies the tenor of the argument that wage recipients cannot be given back through higher wages what the state and the sheikhs had taken away from them. Without dramatic effects on employment a rigorous monetary policy cannot iron out the consequences on price trends of the value-added tax increase and the oil price rise.

--Wage policy: The roll of drums with which Eugen Loderer, chief of the IG Metall [Metalworkers' Union], started the overture for the 1980 wage round is at the very least not an indication that the trade unions will again approach their difficult task with as much modernization as they did this year. Until now it looked as if they would bow to the compelling logic that the DM 15 billion which OPEC exacts from us as an additional tribute this year alone are no longer available for domestic distribution. But now it seems that at least the IG Metall is trying to cheat its way around this fact.

Loderer's argument that a large part of this money returns to the FRG in the form of orders is unfortunately devoid of any logic. Through it is true that these petrodollars help to equalize our balance of payments, this does not mean that we are getting any wealthier. Otherwise a merchant who presses DM 100 bills into the hands of all passers-by with a request that they should buy from him could be doing a booming business. His turnover would indeed increase--but within 3 days he would be broke.

But then the trade unions find themselves in a not very enviable position. If their demands appear too tame to their members, who already will feel cheated of a catch-up /wage hike/ this fall, the danger of wild-cat strikes is in the air. But this is something the functionaries fear more than the devil fears holy water. Should the wage recipients be able to get a higher return through unauthorized actions, this would undermine the authority of the trade union heads vis-a-vis their own members, the entrepreneurial associations and the politicians.

If on the other hand the trade unions extort wage agreements which are too high, the new wage cost pressure feared by the Kiel business-cycle economists will eventuate. This would vent in price increases and a renewed growth of unemployment. Since the Bundesbank would feel obligated to stop the inflationary trend, the final result of this development would almost automatically be a release into the recession out of which we have only just emerged.

Hence wage policy is for two reasons the most important key for the economic development in the coming year. On the one hand, because its psychological and its factual significance is of particular importance for the economic developments in 1980, and on the other hand, because this is the only point on which we are truly sovereign.

9108

CSO: 3103

MILITARY ACADEMY HEAD SHARPLY CRITICIZED

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 2 Oct 79 p 1,2

[Article by Ulrich Mackensen: "Criticism of Academy Commander"]

[Text] Prof Hans-Dieter Bastian, member of the "Advisory Board for Internal Leadership" of the Bundeswehr has sharply criticized the commander of the Command School in Hamburg, Maj Gen Heinz von zur Gathen. In a letter to Defense Minister Hans Apel that became public on Monday Bastian charged that the general had obstructed the work of the council's committee on "human leadership" that had attempted to gain information about internal leadership at the academy during a visit there on 5 and 6 September. In a statement to the FR [FRANKFURTER RUNDSCHAU] on Monday General von zur Gathen decidedly rejected the criticism.

The "Advisory Board for Information and Indoctrination" is appointed by the defense minister for a term of 4 years. It is composed of public figures such as educators, union officials and representatives of employers' organizations, and is supposed to advise the minister in questions affecting "information and indoctrination."

The Command School at Hamburg-Blankensee is the highest training institution of the armed forces. Not only future officers of general staff service attend here, but the academy trains all captains and naval lieutenants within "advanced training level C" who are schooled for staff duties (Major and Lieutenant Commander upwards) or who participate in courses in the four basic military subjects--personnel, security, training and logistics.

In the past some future general staff officers as well as a small group of civilian instructors have criticized instances of violation of the principles of internal leadership that they had perceived at the academy in written papers. Moreover, both groups had charged that the excessive amount of instructional material exceeded the capacities of both students and instructors. After investigation of the charges Defense Minister Hans Apel decided that instructional material for the commencing General/Admiral Staff course should be cut. The minister also assured civilian instructors that he valued their scientific work highly, and that there was no thought of disbanding, for example, the department of social sciences at the academy. In conformance

with this development the "Advisory Council for Information and Indoctrination" had concerned itself with developments in Blankensee, and had charged its "Committee 1" (Human Leadership)--headed by Professor Bastian--with gaining information about the development on the spot.

Bastian, professor at the Pedagogical Academy in Bonn, complains about the course of this visit at the beginning of September in his letter to Apel. "Even before the official greeting the commander of the FueAK (Fuehrung-sakademie, Ed.) told reasons of the visit; that he disputed all supervisory functions of the committee; and that he did not see any objective necessary to discuss potential problem areas. Even after committee members stressed their informative task and their purely advisory capacity, the tensely disapproving atmosphere could not be dissipated," Bastian writes. The opposite occurred. When in later conversation with department heads regarding the organization of instruction at the FueAK topics were broached that had been touched upon in papers by former students and instructors, "the commander intervened with lengthy, polemical monologs." In another passage Bastian continues: "The commander in his expressions took the--to him unshakable--position that internal leadership problems at the FueAK were a long-since buried corpse that the committee was planning to exhume totally unnecessarily and completely superfluously." Moreover, the commander had viewed papers with critical remarks written by students and instructors as disloyal, he "regarded them as instruments of politization, and suspected that agitating forces were at work in the background who were acting against him with the aid of public media." According to Bastian the general also refused to permit the committee to visit an auditorium of the academy. The professor concludes his letter with the following remark: "Even if the concept, information and indoctrination at the FueAK were refined, and the allotted training time increased, a training success in the expression of internal leadership will hardly be obtained if the commander and his important coworkers are permitted to exercise a style of leadership over 1 1/2 days the like of which we could experience and describe."

On Monday General von zur Gathen, replying to a question of the FR, rejected Bastian's words as "totally onesided." At the beginning of the committee's visit he, the commander, had not been aware that the committee had an inspection task with the framework of information and indoctrination. He had assumed that committee members wanted to gain general information about training methods. The general also denied having described problems associated with information and indoctrination at the academy as "a long buried corpse." His expression had been directed at previously written papers, which, in view of measures undertaken in the meantime, could surely be described as "corpses."

"There can be no talk of hindering the committee," the general added. After the committee had discussed matters with academy experts he had, indeed, been forced to deny a visit to an auditorium, since the auditotium included foreigners who would have to be excluded from the discussion. Further, the commander stated that Professor Bastian had behaved like a "Grand Inquisitioner inspecting the atmosphere of the academy" and that had not been helpful to

to the visit. Had he known what the committee actually wanted at the academy, emotional outbursts would have been prevented and the visit would have concluded more peacefully, stated General von zur Gathen.

A spokesman of the Defense Ministry in Bonn told the FR on Monday that the defense minister had personally invited the committee to visit the Command School to help him gain an overview of "training content and aims especially in the area of information and indoctrination." Due to misunderstandings concerning the aim and content of the visit differences of opinion between members of the committee and the academy. "Necessary measures will be taken to avoid such misunderstandings in the future," the spokesman added.

9240

CSO: 3103

POSSIBLE SUCCESSORS TO PRIME MINISTER BARRE

Paris LE POINT in French 24-30 Sep 79 pp 66-67

[Article: "The Little Game of Raymond Barre's Succession"]

[Text] After the president's television address on Monday, betting opened on Raymond Barre's successor as prime minister. Betting on the date of the succession: January, March, July, or September. Most experts feel the successor will have to have enough time to make himself known before the 1981 presidential election and prepare the 1981 budget. Betting on the person to be chosen: 13 names are being widely mentioned and they correspond to three different strategies Giscard may adopt. These strategies are as follows.

First Possible Strategy: An RPR [Rally for the Republic] Prime Minister Giscard believes that in the 1981 presidential equation he has to be sure, first of all, of obtaining the Gaullist vote. Two solutions are open to him.

The first is to win over the bulk of the RPR troops while isolating Chirac within their movement. The top man on this list is, quite obviously, Jacques Chaban-Delmas who has been at loggerheads with the RPR chairman since 1974. Chaban-Delmas is followed by Alain Peyrefitte, Olivier Guichard, and Robert Boulin, but not necessarily in that order.

The second possible solution is to oblige the RPR to reassume governmental responsibilities. This move would bar the RPR from complacently criticizing the government and would also firmly reunify the parliamentary majority. In this case, Chirac's recall as prime minister being apparently excluded at the present time, Michel Debre would embody, in the event of a national crisis, a policy of--temporary?--change within the majority.

Jacques Chaban-Delmas
Age: 64. President of the National Assembly, mayor of Bordeaux, and deputy from Bordeaux



Pros: The public still favorably recalls the "New Society" program he fathered. He knows how to surround himself with highly competent men. He is already familiar with the inner workings of Hotel Matignon [prime minister's office and residence].

Cons: His defeat in the 1974 presidential election continues to weigh against him. A Giscard-Chaban reconciliation 5 years later would make politicians--if not the average Frenchmen--snicker. He was able to embody economic expansion, but could he combat economic recession? He is still quite popular and has friends. But what following does he have?

Alain Peyrefitte

Age: 54. Member of the Academie Francaise
justice minister, and mayor of Provins.



Pros: His ambition. His brio. His culture. His urbaneness. His tact. His literary successes prove that he has some knowledge of what the public wants.

Cons: Skepticism intensified by the ordeal of May 1968. A certain lack of conviction. As minister, he beats around the bush too much for fear that he may commit a faux pas. He has lost much of his following among Gaullists.

Olivier Guichard

Age: 59, Deputy and mayor of La Baule.



Pros: His past association with General De Gaulle. His ministerial experience under Pompidou. A definite flair for conciliation. An unruffled presence. A shrewd judge of electoral trends. An out-and-out European. On good terms with "Ponia" [Michel Poniatowski].

Cons: Is it lack of willpower or determination? Thus far he has always missed the boat. As a result he now has the reputation of being a perennial second.

Robert Boulin

Age: 59. Minister of Labor and
mayor of Libourne, Gironde



Pros: Holds record for ministerial longevity (16 years). A truly talented debater. Knows how to negotiate. Held in high esteem by his Gaullist friends and labor union officials.

Cons: Lacks prominence. Has perhaps been a "staffer" too long to be able to command. Has no team. Does not identify himself with a plan or project.

Michel Debre

Age: 67
Deputy from Reunion



Pros: Has strong convictions. An authority. A policy of change. Extensive ministerial experience. The best symbol of Gaullism. Over the years, he has gradually become immune to unpopularity.

Cons: A "workaholic," too militant and too inflexible to work lastingly with VGE [Valery Giscard d'Estaing]. Having recourse to Debre, the symbol of a certain past, would be an extraordinary mortification for Giscard.

Second Possible Strategy: A Centrist Prime Minister

Giscard believes that the voters he must convince and win over for the 1981 election are within that border area between the parliamentary majority and the left. In this case, he has to "govern in the center" as he had said he wanted to do in his speech at Charenton in the fall of 1972. From among his ministers, he may choose one of those who profess to belong to the center left or center right: Jean Francois-Poncet, Rene Monory, Jean-Francois Deniau, or possibly the very popular Simone Veil, or Michel Poniatowski who is still one of the chief of state's closest friends. VGE may also decide to move even farther to the left by choosing a leftist radical like Maurice Faure.

Jean Francois-Poncet

Age: 51

Minister of Foreign Affairs

Pros: Comprehensive public and private background. Is on good terms with VGE and works smoothly with him. A flair for synthesis and fine workmanship. Has a keen political sense: is chairman of the Lot-et-Garonne departmental council, the majority of whose members belong to the Radical Party.



Cons: Subject to inopportune fits of anger. Crotchety disposition that showed itself not very long after he became foreign minister. An inordinately acute sense of what pleases or displeases VGE.

Rene Monory

Age: 56.

Minister of Economy and mayor of Loudun, Vienne.

Pros: Common sense of a self-made man. At home among the business community and before the TV camera. Foe of technocracy. Never forgets that a politician represents the people.



Cons: His liberalism is somewhat simplistic. Less popular than might be expected. Has a few stout enemies among the "eggheads," such as Giraud, for example.

Jean-Francois Deniau

Age: 50

Minister of Foreign Trade

Pros: Brilliant. Cultured and ambitious. Modern and nonconformist image of the big capitalist. Has international experience. Believes in Europe. Considered a good cabinet minister.



Cons: Little political experience. An affectation of dilettantism. Too similar to VGE, and to such a point that he sometimes seems to be asking himself: "Why him and not me?"

Simone Veil

Age: 52

President of the European Assembly

Pros: Tenacious and hardworking.
A flashing career. Still very popular.
She would be the first woman to head the government.



Cons: Crotchety disposition. Questionable managerial skills. Same contempt as Barre for politicians. Her election at Strasbourg is too recent.

Michel Poniatowski

Age: 57

Mayor of L'Isle-Adam, Val-d'Oise,
ambassador and personal representative of
the chief of state.



Pros: Touching loyalty to VGE. The
old partnership between the two men.
Gives no quarter in an election campaign.

Cons: A rightist image. Hated by Gaullists. Suspected by Christian Democrats. Poor public speaker. Considered disquieting.

Maurice Faure

Age: 57

Deputy and mayor of Cahors, Lot

Pros: A reassuring radicalism and a
total skepticism about the Union of
the Left. Good international experience
and a strong European "aura."
Unbeatable in his southwestern stronghold.
Would be the very embodiment of
an "opening to the left."



Cons: Takes such pains to tell everyone he no longer has any ambition
that people end up believing him. A propensity for indecision.

Third Possible Strategy: A Prime Minister Who Is a Technician

Giscard is convinced it is possible to maintain a certain Barre-like style
without Barre. In this case, he has to place in the Hotel Matignon an
impeccable manager who is more of an expert in monetary matters and finance

than in politics, the latter being too important to entrust to a prime minister. In this case, one name tops all others, that of Andre Giraud. Behind him looms the government's very newest member, Jean Farge.

Andre Giraud

Age: 54.

Minister of Industry

Pros: Good ministerial experience in a difficult field, namely industry. A faultless image as an energy technician. A good team. Respected by Gaullists (Olivier Guichard's former chief adviser and senior administrative assistant).



Cons: Is not good-natured. A certain arrogance characteristic of some Ecole Polytechnique graduates. Politically naive to some extent.

Jean Farge

Age: 51

Secretary of State to the Minister of Health and Social Security

Pros: France's "best public accountant" in VGE's opinion, just as Barre was "the best economist." Faultless courtesy. Conscientious and punctilious.



Cons: Totally unknown to the general public. His appointment would be a tremendous gamble.

8041

CSO: 3100

DECLINE IN PRODUCTIVITY FORECASTED FOR 1980

Rome RINASCITA in Italian 5 Oct 79 pp 3-4

[Article by Lina Tamburrino: "Government by Resignation"]

[Text] More room is being made for inflation; no adequate defenses are being prepared against recession. A dark 1980 is shaping up, with a sharp drop in productivity. "Zero growth" for employment, but business gets 2.7 billion lire as a gift beyond any need for growth increase and industrial stabilization. The international situation is uncertain, but money values are worsening.

The Italian economy is like a small clay vase standing between two iron vases (but are they really?); it is getting ready to cross the threshold of a very uncertain phase that shows strong and alarming signals of a drastic slowdown in industrial activity. The development of the international situation is bound to be distinctly unfavorable for Italy; it is dominated by the actions of the great powers and by the thinly-veiled confrontation of the dollar and the German mark. (The recession is already under way in the United States, though strong measures may be taken against it in mid-1980 in view of the presidential election; in Germany, the Strauss-Schmidt electoral battle will be waged more over cooling inflation than expanding production.) But the negative impulses that are coming and will come increasingly from abroad are not being confronted adequately. Rather, they are being made even worse by domestic economic policy positions and choices. This policy is running the risk of bringing the country closer to simultaneous recession and inflation, a danger recently pointed out in the PCI leaders' economic policy resolution.

The final phase of the Andreotti government and now of President Cossiga's government left ample room to the initiative of large industrial sectors. Industry was allowed to score points for itself in the offensive to raise prices and to abolish administered and controlled prices, a long-standing demand of Confindustria. In recent months these units have taken serious setbacks, and no new mechanisms have been substituted that would be less bureaucratic or more efficient in keeping inflation under control, at least on that front.

Actually there is nothing accidental about what has happened on the price front. Contract negotiations have had moments of great bitterness and have resulted in the defeat of management's most openly political ambitions, which were quite unrealistic (a drastic reshaping of the power acquired by the unions). But once the contracts were signed, this hard feeling continued to maintain competition on the ground most appropriate to business initiative: price manipulation (which has a corollary in the price of oil supplies). Contract costs and oil price increases have been substantially anticipated, which gives an unexpected, strong push to inflation (which, in this phase, has all the characteristics of being caused by profits). There was also the intent of laying the groundwork for renewing an objective attack on the sliding scale (and this has happened). The inflationary offensive on the part of business was foreseeable. The point is that this has had clear sailing in a climate marked not only by government weakness but also by great political uncertainty, which, as Lord Keynes teaches, is certainly not conducive to stimulating investment. On the contrary. A mass of rather diverse questions have emerged this autumn, and they are very absorbing: recessionary impulses coming from abroad; an already worrisome inflation rate; strong union pressure for a substantial recovery in buying power (putting the sliding scale on a quarterly basis for civil servants, increasing tax deductions, and opening discussions on increasing minimum pensions) in such a way as to meet the attacks on real wages being made jointly by inflation and taxation. All the structural issues that are signs of the times in Italy have appeared not as background but as urgent manifestations of a diffuse social malaise: unemployment not as a generic phenomenon but as being strongly differentiated between North and South, males and females, youth and adults. However, the chronic crisis of some industrial sectors is not uniform but geographically dislocated, concentrated as it is in the South. Finally, and this is another characteristic fact that has emerged more strongly in this phase, there is a strong demand for improvement in living conditions on the part of the weakest social classes (hence the militancy over pensions). These are all aspects that make for a complex social situation, full of tensions, and having an objective and subjective push toward change. It is bound to get worse if the situation in 1980 is as the government says it will be, and it is hard to see any way around it.

If the Italian economy is left to the "spontaneity" of the tendencies that are taking shape at the international level, it will slow down alarmingly in 1980. The income growth rate will reach 4.5 percent this year and will be scarcely 1.5 percent in 1980 unless support is provided. Imports grew 11 percent this year and will increase scarcely 2 percent (which confirms a correspondingly large production drop). Exports will sink from a growth rate of 6 percent (this year) to 4 percent. Domestic demand will really collapse, going from 5.3 percent to 1 percent. The same will happen to family consumption, which grew 4.8 percent this year and will increase by scarcely 11.5 percent [as published] next year. On the other hand, collective consumption, which has already been lower this year, will remain almost stationary, increasing by 2 percent compared to the present 2.7 percent. Investment growth will be cut in half, going from 3.4 percent to 1.9 percent. Finally, the rate of inflation for this year has been estimated at about 15.5 percent; next year it will reach 14.5 percent and will drop to a lower level (11.12 percent) only at the end of the year.

In an attempt to reduce the negative impact of these terrible predictions, the government has set forth in its Forecast and Planning Bulletin an "expansive maneuver" whose ingredients are: (1) supporting demand by reducing taxes on dependent workers (1.2 billion lire in 1980); (2) proposing as an alternative to "fine tuning" the sliding scale (which the unions have opposed) the massive financing of social programs by manufacturing corporations, which will set aside 2.7 billion lire, a figure that amounts to a 3.5 percent reduction in the cost of labor; (3) injecting 3 trillion lire into the housing sector. To keep the "expansive maneuver" from weighing too heavily upon the budget (the general public sector deficit will jump to 42 trillion lire in 1980), the government has announced that public service costs (telephone, postage, transit, and electricity) and administrative costs will increase by about 2 trillion lire. If the "expansive maneuver" goes according to the calculations of Ministers Andreatta and Pandolfi, revenues could increase not by 1.5 percent but by 2.5 to 3 percent in 1980.

Any optimism would be out of place, first because this growth is not being sustained by a strong renewal of public investment (aside from the change in housing appropriations), thus it appears more as a hope than as a real government pledge; second, because it falls appreciably beneath this year's growth. The message that this government is sending is, therefore, very explicit: in 1980 all the country's problems will get worse, beginning with employment. Not even one new job will be created, and it is reasonable to expect that there will be an increase in the number of factory jobs lost through attrition.

Hence, and it is even truer if you look at what the country's present social expectations are, the government's programs look seriously insufficient and even dangerously contradictory, especially because in a phase of resurgent inflation, it leads to a rout all along the front holding back price increases. Why contradictory? The recovery of buying power granted to dependent workers is being taken away with the announcement of new rate increases. These increases will feed inflation and thereby erode real wages. This will reestablish the vicious circle that the government was somehow trying to break by increasing tax deductions. If the new money available to dependent workers is translated into new consumption (i.e. if it is not converted mostly into savings because of uncertainty about the development of the economy and the lack of efficient public services), tension on prices may be expected, with new inflationary impulses especially in the sectors least ready to meet the increased demand for goods, e.g. the food industry.

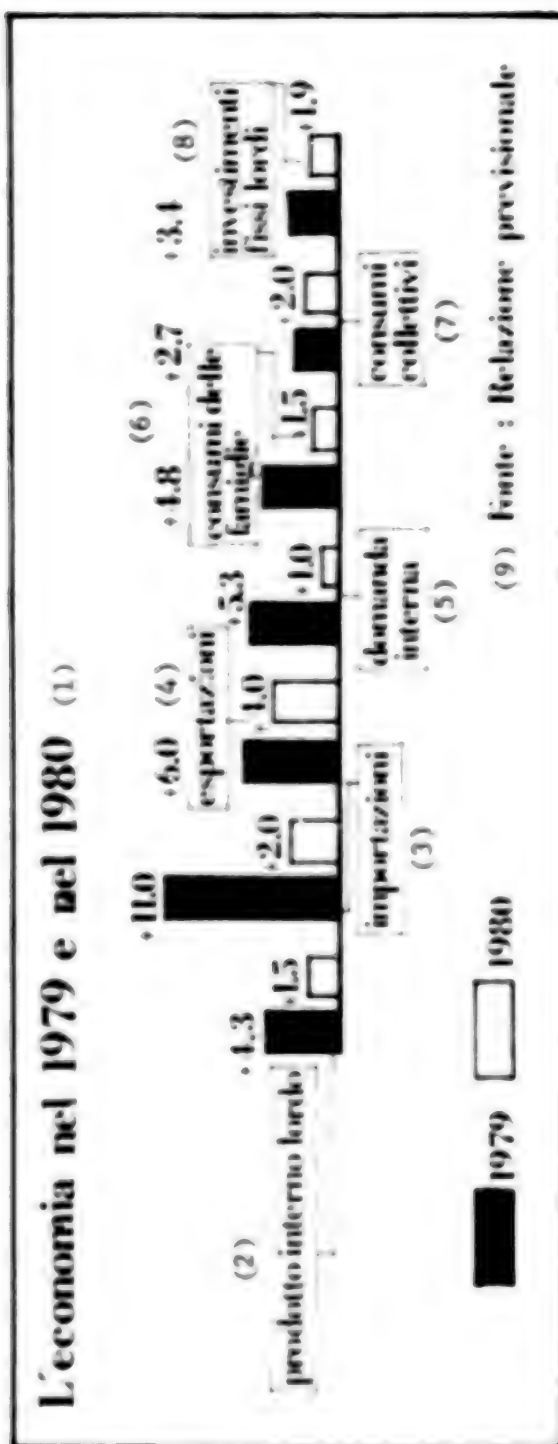
The linkage that the government has made between tax relief and rate increases sounds like something that will increase differences and inequality between the various social strata: tax relief will go only to dependent workers; rate increases will fall especially hard on the masses who lack "protection" or a regular job. The massive financing of social programs was conceded at a moment when corporation balance sheets are not particularly catastrophic and the possibility of getting credit is not particularly onerous or complicated, but it

has all the aspects of giving the industrial system money that it does not really need and that might be used for speculative purposes, including speculating in currency.

Though this inflationary potential is incorporated into the government's policies, it is legitimate to wonder, however, what an alternative policy would be. With the inflation rate already at 15 percent, future inflationary tensions might be translated into pressure on the lira in the near future; this might lead to a marked devaluation that would crush the cash reserves and credibility so laboriously acquired, and it would naturally play into the hands of the export industry. Is this, then, the real objective, the real substance of the government's economic policy decisions? It is a fact that on the price front and in the matter of taking serious measures against inflation there is no commitment: everything is being left to the discretion of business, which has had social programs financed through taxation and thereby had its labor costs reduced; it should be able to decrease the cost of industrial products.

Price increases, accelerated inflation, devaluation: these all not only recall the 1976 monetary crisis but also tend to redistribute incomes to the advantage of profits, thus indirectly achieving the political objective that was the explicit fulcrum of the "Pandolfi plan." This is a line taken by management immediately after signing the contracts, and it is directed against the working class and the other social classes allied with it at the very moment when the situation is becoming more dramatic.

It cannot be excluded that this government thinks that there is no other way out than to give a monetary response (inflation) to the structural problems of the economy, knowing that it does not have the necessary political and social consensus to establish stability. A gust of price rises may somehow be absorbed and cushioned by so many other ways (not the least of which is the sliding scale), whereas a policy of selective consumption and restriction of waste, e.g. in the energy sector, requires a clarity of objectives and proposals that transcends economics and involves a view of life, social relationships, and the relationship between work and leisure time. Tax financing of social programs is certainly an easier card to play, and one more acceptable to business, than the choice, which is more political than economic, of giving a strong impulse to public investment, speeding up the implementation of planning laws (from the one on the South to the one on industrial reconversion), yet clearing the way for industrial sectors in crisis to join banking consortiums, thus breaking the hidden ties between certain banking elements and certain shaky businesses. But how long can the country put up with such an obvious and risky divergence between the political direction of the country and the serious situation that must be confronted?



Key:

- (1) The economy in 1979 and 1980
- (2) Gross domestic product
- (3) Imports
- (4) Exports
- (5) Domestic demand
- (6) Family consumption
- (7) Collective consumption
- (8) Gross fixed investment
- (9) Source: Forecast Bulletin

[Caption] This chart depicts the fall in production that will occur next year because an adequate and coherent policy is lacking to stimulate production.

PCI LOWER HOUSE LEADER COMMENTS ON INSTITUTIONAL REFORM

LD180849 Milan L'UNITA in Italian 11 Oct 79 pp 1, 17 LD

[Giorgio Frasca Polara report: "Institutional Reform Inseparable from Renewal of Political Leadership"]

[Excerpt] Rome--Bicameralism, the president of the republic's functions, the duration of his term of office, parliamentary working methods and regulations, the increasing issue of decree-laws, the role of the prime minister's office and the efficiency of the government: All the parties agree that reforms must be implemented in connection with these topics, which have been discussed in the debate which began in the lower house Tuesday [9 October]. The agreement, however, only covers the problems and does not yet extend as far as the remedies. And here (as PCI lower house Floor Leader Fernando di Giulio pointed out yesterday in some critical remarks), there have been a number of extraordinary omissions in the debate (which closes this evening with a speech from the lower house speaker).

The Christian Democratic Party has clearly revealed its plan to evade a worthwhile debate on the process of reform and to emphasize--in a somewhat manipulatory manner--certain individual aspects of the current debate. Its reference to need to legislate on strikes is typical. On the other hand, the Italian Socialist Party's attitude has seemed strange, especially after the expectation created by Craxi's article on the "grand reform." Silvano Labriola's speech did not put forward the innovative proposals which it was legitimate to expect, if one excludes his emphasis on a unicameral system.

However, back in Tuesday afternoon a broad range of proposals and possibilities was put forward in PCI lower house Deputy Floor Leader Ugo Spagnoli's speech, which provided a wealth and variety of stimuli. Comrade Di Giulio's speech followed in the wake of those proposals. First, he was keen to stress how the political experience of the past 3 years has itself revealed that the implementation of a thorough policy of renewal has been obstructed partly by the inadequacy of the institutional system, starting with the present government structure.

It is not simply a matter of implementing the law on the prime ministership as soon as possible, though this is a decisive element. It is also a matter

of envisaging the possibility, on the one hand, of merging ministries and, on the other, of making their initiatives more flexible--for instance in the management of plans for individual sectors. Next Di Giulio demonstrated the unfeasibility of methods for expressing lack of confidence in the government based on the German and Spanish methods (a government resigns only when a new majority has been predetermined). Indeed, in Italy governments fall not as a result of motions of no confidence but because they take note of a change in the political situation. There is the defect of the extra-parliamentary nature of the crisis, but one must also be realistic. Any device that fails to take this into account would in fact aggravate the conditions under which we are working.

Another topic to which Di Giulio returned was that of commissions of inquiry and of bicameral commissions, in connection with parliamentary efficiency. Are there too many commissions? Perhaps there are, but it is of no use complaining about it: It is better, if anything, to note that parliament is now incapable of performing its institutional functions of control in a thorough and rapid manner.

There is mutual mistrust and suspicion between the legislature and the executive; control is regarded as dishonest and, in any case, as a danger rather than a help. Citing as an example the instruments at the American Congress' disposal (which do indeed permit rapid intervention), Di Giulio concluded as follows: If we had those instruments, then, to cite just one example, there would have been no need to decide so late on an inquiry into the management of interventions in the quake-struck Belice area.

The issue of the "new protagonism" of the trade union movement and of the parties themselves has been raised on various sides. Di Giulio replied by stressing that the real problem with which we must come to terms is in fact the position of the new social subjects within our new order and the institutional consequences, with a general reconsideration--this is the point--of the principles already being followed in connection with legislation and which emphasize the recognition of these subjects which in fact already exists. One typical case was that of the workers statute, which essentially altered the actual constitution and even affected subjective rights.

And last, bicameralism. The range of proposals is very broad, Di Giulio pointed out, citing the following: A reduction to one chamber, sharing the tasks between the two parliamentary branches and the integration and coordination of the two assemblies' work. The communists are also willing to study the possibility of introducing a unicameral system, which, for that matter, has long been their preference. But as things stand, there does not seem to be sufficiently broad agreement to carry this out. Therefore, we must proceed from the elimination of all elements duplicating and hindering parliamentary work.

COMMENTS ON PCI'S INTERNAL 'DEGENERATION'

Napolitano Comments

LD291029 Milan L'UNITA in Italian 19 Oct 79 pp 1-2 LD

[Unattributed report on PCI Secretariat member Giorgio Napolitano
18 October report to Rome meeting of PCI federation secretaries: "A Party
Which Debates, Decides and Works Hard"]

[Excerpts] Rome--A meeting of PCI federation and regional secretaries took place yesterday to discuss the basic guidelines for the upcoming PCI membership and recruitment campaign. The meeting also provided an opportunity to examine closely the essential problems of party life and of providing a new thrust to its political initiative. It was introduced by a report from Comrade Giorgio Napolitano of the national Secretariat. Comrade Enrico Berlinguer also spoke in the debate and we will report his speech in tomorrow's L'UNITA.

This meeting, Napolitano said, opening his report, has been called so we can decide together what verdict to issue on the state of the party and the direction in which we must act, with a new leadership effort. The starting point is the membership campaign.

The recent meeting of the Fifth Central Committee Commission revealed the need to carry out a certain determined change of course. I feel we should issue a worried verdict on the way the post election political debate has dragged on: There has been a deterioration in the link between discussions and the implementation of decisions, between debate and specific work, mass action and political initiative; there has been an obscuring of certain essential aspects of conduct and commitment which must continue to characterize any communist party member and leader and the party's entire life.

These phenomena, whose negative character we can now appreciate better, have emerged over a number of years, partly in relation to profound changes in Italian society and the party itself, changes in its composition and framework. And they have combined with processes of democratic growth, which we must not overlook but fully appreciate and guide toward the objectives of a real development and enrichment of the party's organization.

If we look at the most recent period and the upheavals--from which we have not yet emerged--over the vicissitudes of the democratic solidarity policy and the 3 June elections, Napolitano pointed out, we must say that some unease and political dissent has emerged over what policy to pursue; there has even been a degree of dispersal affecting certain historical and strategic linchpins.

We really do not believe we can overcome all this with an appeal to close ranks. Propaganda is not enough: There must be a political and ideological dialog and, above all, there must be some valid answers. But it is essential to reestablish the fixed points, which must now be placed at the center of the membership campaign. We conceive this campaign as a major mass initiative--in a sense as an outright recruitment campaign in all its aspects; it is a matter of securing the membership of new comrades and substantially renewing the membership of those who have already subscribed to the communist party's political program, major options and fundamental values. We must raise the level of debate among communists, shifting it from occasional over-particularized topics to the major political issues, the major ideological issues. With a view to 7 November also, we must discuss in our sections and at public meetings the original characteristics of our party, the new internationalism, Eurocommunism and the current problems of peace and world development.

It is a matter of reestablishing a correct representation of the critical and self-critical balance sheet which we drew from the great political experience of recent years, at the congress and since 3 June. At the same time we must stress the corrections which we have decided to carry out in connection with our policy and our work--in particular an effort to achieve greater unity on the left (partly for the purposes of the dialog with the Christian Democratic Party) and a shift in our commitment toward people's real problems, toward mass action and toward the fundamental issues posed by the Italian and world crisis, in order to build new unitary convergences around them. We must also emphasize the political innovations which emerged from the 20 September meeting of communists and socialists.

We must avoid an overgeneralized and repetitive debate and must instead encourage an effort to relate and link it to developments in the political situation and the problems which must be dealt with now. I wonder, Napolitano said, how many sections, for instance, have held meetings on the PCI Directorate resolution on economic policy, which appeared in L'UNITA 20 September? And how many sections have discussed the Craxi-Berlinguer meeting and the resulting document? Taking up the debate in this way implies avoiding an unproductive debate among a few people and reestablishing a direct relationship between debate and mass political action.

As I said at the start, this combination of problems implies the need for certain corrections. I have already referred to the obscuring of certain essential aspects of our conduct, Napolitano said. I would like to add some observations to this. There are problems of political orientation

which can only be dealt with through the development of dialog and participation. Not through propaganda campaigns, but by encouraging a participation which will lead every organization to feel that it is playing a leading role in and taking a share of responsibility for the party's decision-making process. But this debate and this participation must take place in a clear, straightforward and rigorous manner, with an eye to party unity and to utilizing all its strength in the day to day struggle. These are the rules which must not be abandoned, at a time when a much livelier dialectic over our stance is natural within our ranks.

And, Napolitano said, the dialog has not always been clear in recent years and we are now paying the consequences. The political struggle to clarify the essential linchpins of our line and of our conception of the movement and change in our society has not been sufficiently thorough. There have been elements of uncertainty, reticence and diplomacy in connection with fundamental issues such as violence (as we can now see at the Fiat factories). In fact there must be--especially on the part of the leadership comrades--decisiveness and straightforwardness in expressing convictions and supporting the party line, leaving aside any calculation of convenience. All comrades must be urged to reflect upon and examine their own political stances, thus avoiding crystallizations and exasperations in the debate.

This, Napolitano said, is what must be understood by a clear debate. It, therefore, also implies a commitment to prevent connections between political and other issues. Last, it implies a discussion based on the real stance of the party and its leadership bodies, thus implying that we ourselves must provide more timely and persuasive information, at the same time, however, combating (though unfortunately we sometimes witness some worrying examples of "assimilation") all the grotesque distortions perpetrated by certain papers in describing our stances and our very image.

The discussion and manifestation of divergences, Napolitano said, closing his report, must take place first within the party and its leadership bodies. It is there that a constant effort must be made to achieve a unitary synthesis, without, however, adversely affecting the clarity of the conclusions reached and therefore the effectiveness of the policy decisions. This also implies a clear change in the character and style of meetings of the national, regional and federation leadership bodies. Every meeting must center on a limited topic and must lead to a specific conclusion. There is no point in overgeneralized and general exchanges of opinion which fail to reveal divergences and do not facilitate the comparison and rapprochement of stances or strengthen the party's action.

We need concise and incisive meetings (and reports) which will permit the leadership bodies to pronounce themselves, to decide and to lead. It is on this that the struggle to develop our party's democratic life and to combat any possible degeneration within it also depends.

But to these topics and on other issues concerning internal democracy, the training of cadres, party structures and the party's relations with society, Napolitano said, we will have to return soon, on the basis of more specific study.

Berlinguer Urges Analysis

LD301353 Rome L'UNITA in Italian 20 Oct 79 pp 1-2 LD

[Unattributed report on PCI Secretary General Enrico Berlinguer 18 October speech at Rome meeting of PCI federation and regional secretaries: "Political Unity and Ideological Impetus"]

[Text] Speaking before Napolitano's reply to Thursday's debate among the PCI federation secretaries, Comrade Enrico Berlinguer said first that he fully agrees with the objectives for the 1979-80 membership campaign indicated in the introductory report. Next he said he particularly agrees with the indications given regarding the party's working methods, partly with the aim of correcting a number of defects which have emerged, particularly--but not only--since the 3 June election results.

I am not now going to point to all the elements in the country's general situation in which this membership campaign is starting, Berlinguer said, but what is certain is that all those elements are such that they underline--even more than in previous years--the decisive value of the existence of the organized strength of a party such as ours, of a more certain, more united and more cohesive party than it has been and has appeared in recent months.

Next Berlinguer stressed on the one hand the precariousness and instability of the solutions provided by the country's government, the government's confused, short-sighted activity and its inability to provide satisfactory answers to the existing problems. On the other hand he stressed the continuing insistence and tenacity of the struggle against the PCI in obstructing the plans which it proposes and also in preventing its opposition activity from taking place in the most effective and incisive manner.

But I am not thinking exclusively about these strictly political issues, the PCI secretary general added: I am thinking rather about the overall state of Italian society, the aggravation within it, the phenomena of decline, disintegration, disorder and therefore ideological disorientation, which is sliding down a slope that seems to be growing increasingly steep. Of course, during our experience within the democratic unity majority there was a lull in this trend, there was a pause which, in some fields at least, permitted a start to a responsible task of reform. We defend that experience and, as time passes, we see more and more clearly the responsibilities of those, like the Christian Democratic Party leaders, who did not want that experience to develop consistently and in fact eroded it, thus bringing about our inevitable decision to enter the opposition.

I do not believe, however, that one can merely say--as things stand now--that "we were right" to reveal those responsibilities and that we are right now to continue stressing that the real solution for resolving the country's crisis is a government of democratic coalition comprising both leftwing parties. Indeed, it must be borne in mind that the plan which we propose cannot make progress on its own or just with the backing of propaganda and persuasion work.

Next Berlinguer referred to the need for a more thorough analysis--including a social analysis. I believe, he said, that the existing social phenomena could develop to the extent of closely affecting our own party, hindering its functioning. Berlinguer referred in particular to the spread of antisocial behavior, ideological and political dispersion and an outright cultural regression, especially in political culture.

The international situation is also tending to deteriorate. Italy reflects all aspects of the crisis being experienced by capitalism on the international scene: The ruling classes, both here and elsewhere, are unable to restart the machinery which has entered a crisis that cannot be controlled with the existing instruments. But it is by no means a foregone conclusion that this will lead to the spontaneous emergence among the masses of increased pressure to seek a way out through solutions aimed toward socialism. This, it must be added, is due also to the difficulties which, despite their diverse nature, are being experienced also by the socialist countries, some of which are being tormented even by conflicts among themselves. All these elements confirm the validity and timeliness of our Eurocommunist option, for which we will continue to work calmly, with absolute consistency, and with no intention of a break, in our belief that it is the only path capable of enabling the workers movement to open the way--within unity and democracy--to socialism in the developed capitalist countries. We will not be distracted from this path by the lack of understanding and closed attitudes which have been demonstrated again over the past few days outside our own country.

Next the PCI secretary general pointed out that there is still insufficient awareness of and sensitivity to the risks in resuming the arms race and to the other major world problems, particularly the problem of underdevelopment. There has been a deliberate attempt to dismiss the analyses and conclusions of the Havana nonaligned conference. It was probably for precisely this purpose that the "Havana crisis" was invented and later, during Fidel Castro's U.S. visit, his dramatic UN appeal to prevent the "apocalyptic" prospects deriving from an aggravation of underdevelopment was ignored. Even the great and real problem of missile deployment in Europe has been used (with disturbing provincialism) for ulterior motives by some people in Italy, purely as an argument for "putting the PCI to the test." However, Berlinguer said, our position on this point has been extremely clear. We have acknowledged that the problem of balance exists, but we have asked that it be verified and resolved through negotiations aimed at an arms reduction that will guarantee every country's security.

We must, Berlinguer stressed, derive from this whole situation an awareness of our party's great objective function, its national and international responsibility: Primarily on the domestic plane, to halt the present descent down the slope and to set in motion a task of reform and renewal; and, on the international plane, to use all our prestige to prevent the triumph of evil forces and disaster.

The PCI's role, Berlinguer continued, is dictated by its strength, its close relations with the working class, its political tradition and what people expect from it. Of course people expect from us specific initiatives in defense of their immediate interests, which are now threatened from close quarters, but they also expect us to use all our energies to help overcome the disorder which exists in many fields, to transform society and to reform the state.

It is true that this entire complex situation is causing people to urge us to debate and research and ask us pressing questions. What is happening? What is changing? What have we failed to understand? Where are we going? These are questions which we must answer and we must therefore proceed with the debate and research without fear or reticence. Our study centers, the seminars which we are organizing and our press must serve precisely this development in the debate. We want to achieve the greatest possible clarity.

But at this point it is also necessary to state that it is misleading to believe that greater clarity can be achieved solely through debate. As Marxists, we know that clarity is to be achieved essentially through practice and experience: without major initiatives and practical involvement the party cannot live or progress and cannot clarify any prospects.

Next Berlinguer dealt with the issue of the PCI's present opposition stance--a responsible, not a comfortable, opposition stance, he said. One of the linchpins of our current activity, he continued, is certainly the defense of the low-income classes hardest hit by the crisis and in this connection our party has taken a number of initiatives, which we are actively carrying out throughout the country. The fact that we are in opposition, however, must not detract in any way from our role, from our objective general role in defense of the interests of the masses and the nation, which we have taken up and are not abandoning.

Woe betide us if we neglect this role. It is also connected with the party's capacity for recovery--a recovery which is taking shape, though we cannot yet say that it is complete. Berlinguer cited the positive aspects of the communist press campaign and the initiatives with respect to the issues of pensions and housing, but, among the negative aspects, he also stressed the continued existence of some unease in certain sectors of the party.

Next the PCI secretary general indicated a number of directions for action:

1. To establish fixed points for the party's orientation and initiative;

2. To impart a thrust and greater prominence to certain mass campaigns:
3. To clearly confirm and, where necessary, to revive certain "rules" for life and conduct within the PCI.

With regard to the first point Berlinguer pointed out that the PCI's "secular" nature was firmly reasserted and expanded on by the latest congress and ratified in the amendments to the party statutes. But, he added, both in the congress theses and in the statutes we also invoked the linchpins of our particular ideological heritage (what we call "Italian Marxism")--a heritage, Berlinguer said, which places no obligation on anyone but should involve whoever believes in it in the necessary consistent ideological comparison with other currents of thought. Moreover, as we have indicated, we have our own view of national development, which we entrust to the unity of the leftwing forces and all the democratic forces and to a determined policy of alliances.

And we have our own view of world development, whose prime objective is to avert the threat of another conflict, to guarantee peace and to help resolve the development problems of the poorest countries. At our 15th congress we announced a group of principles which we believe should form the basis for relations among the states and among the protagonist forces. However, we do not always find a correspondence between those principles and the attitude of certain sectors within the party. Then Berlinguer referred briefly to example of the not always consistent positions which have emerged within the party in connection with the tragic events in Southeast Asia. On the basis of the principles which we discussed, approved and announced at our latest congress we must, therefore, conduct an action capable of instilling the conviction that it is only on that basis that we can conduct a useful and effective initiative.

With regard to the second point, Berlinguer referred to Napolitano's report, stressing the need to fully restore to the party the habit of and the capacity for waging major mass battles (on peace and disarmament, on economic and social issues, on terrorism, on drugs abuse and on education) which will serve to mobilize and clarify at the same time.

Last, the third point, concerning the need--referred to also in the introductory report--to reassert certain rules in the debate and conduct both inside and outside the party. Many people often seem to forget, Berlinguer said, that we have enemies who try with every means to distort our political line and our image. There is an enemy who tries to injure us or force us to follow paths other than our own. We must avoid actually doing them favors. We would certainly be doing those enemies a favor by sticking rigidly to dogmatic or schematic stances. But we are undoubtedly also doing our enemies a favor when we fail to struggle with sufficient vigor against the continuous distortions of our stances or when we go as far as to confirm them.

Indeed, Berlinguer said, we now often witness an excessive susceptibility in the party to other peoples' stances. The PCI secretary general went on to cite some examples of this. Some people, while legitimately discussing the characteristics of democratic centralism and its correct manifestations, have in fact helped to paint a very inaccurate picture of our party and its internal life--almost the picture of an undemocratic party. Some people have concocted stories about papers being closed down by "interventions" from above while others have described in the press our leadership bodies' debates as imaginary conflicts between "opportunists" and "non-opportunists."

Of course, all this demands that we ourselves be clearer and more straightforward in our discussions, precisely to prevent certain misleading interpretations. Last, Berlinguer said, some people have even considered it opportune to launch and support appeals--I am referring to the so-called "7 April" appeal--inconsistent with our policy and who have, even if just momentarily, somewhat obscured the PCI's clear-cut stance against terrorism (though our reply and subsequent corrections clarified the facts).

There must be a precise link among research, debate and work. Of course it is necessary to clarify the terms of a specific debate, but then the debate must be conducted to a specific conclusion. And, in the case of debates within the leadership bodies, the conclusion must be translated into decisions--decisions which must be properly implemented by everyone with the necessary discipline. And so the membership campaign must provide a major opportunity also to reassert and develop these characteristics of our party.

Bringing his speech to a close, Berlinguer cited a remark made by Togliatti in his address to a Central Committee meeting in 1963. "Membership of the party and building the party are acts of freedom. The worker, the working person, begins to liberate himself, by joining the party (Berlinguer stressed the words 'begins') and by struggling within its ranks, from the purely objective, individual and economico-natural condition of his existence and his life as a citizen."

Therefore, let us not forget the necessary educational task which the party must perform, bearing in mind particularly that some young people today, entire generations, were born and have grown up often without even really knowing what our party is, where it comes from and what it wants. And this in fact must be the field for our political and ideological struggle.

CSO: 3104

OPINION ON MALAISE OF THE COSSIGA GOVERNMENT

Rome IL MESSAGGERO in Italian 24 Sep 79 p 2

[Article by Giuseppe Tamburrano: "The Great Strength of a Weak Government"]

[Text] The Cossiga government emerged after a long and still somewhat gloomy crisis (why was Pandolfi's attempt rejected?), with members of an executive of brief duration, who have been delegated to resolve the most urgent problems. A "paradoxical" rule of our public life is that the more a government is weak the more it endures--not only because such a government does not make many enemies, but also because the weakness of a government results predominantly from a lack of agreement among political forces, that is, from the fact that it is the expression of a majority that is not homogeneous. Now, if the disagreement among the political forces lasts a long time, the government will last a long time, because of a lack of alternatives. And, since there is great disagreement among the parties in the present situation, there is consequently great strength in the very weak Cossiga government.

One can, and must, regret this state of affairs, but one must also concede that some government is better than the absence of any government; although, in making this statement, one must also take into account that there is an increasing number of persons who have become convinced, from the proof of facts, that a government in power in Italy does more harm than a government without power, because while the latter does not make decisions, the former does make them and--according to what they say--often makes mistakes.

I hope that the behavior of the Cossiga government does not end by furnishing further proof to that category of persons who, when a government obtains the trust of parliament, thinks: now trouble will begin.

The Cossiga government has had an unfortunate beginning: it was to have been a truce bearing government, free of the divisive logic of parties and of trends; and instead there has been an increase in the posts of minister and undersecretary in order to satisfy the inscrutable balances among parties, groups, and trends. But then the government rose to new heights and gave

important signs of validity and innovation: a commitment to a new way of operating; the effectiveness of certain ministers; the coherent revision of the policy for the South announced by Cossiga; the promptness of decisions, as in the case of General Dalla Chiesa. But for some days it has been losing ground rapidly and seems to be reeling: in a short time the list of errors is already long. I will mention some of them: the most recent gasoline increase, to say the least decided in a strange manner, when some governmental representatives categorically excluded it; if the agreement for a quarterly sliding scale that was granted to public employees had been resolved prior to a strike, labor agitation could have been prevented or reduced and the government could have obtained contractual power; its offer without discussion after the strike has strengthened the conviction of the classes that agitation is all that is needed to cause the government to yield; the lack of a unitary governmental course on the matter of pensions, with the open polemic between Minister Scotti and the secretary of a party that is a participant in the government; and the most recent nonedifying history of the house tax--aired, dealt with again, modified, reshuffled, withdrawn.

Our criticisms are friendly ones, because we are convinced that Cossiga has the wherewithal to operate successfully and also because otherwise at this time the government would fall into a vacuum; which, instead of encouraging clarification among the parties, would increase confusion. Cossiga must opportunely use the great strength that comes from his great weakness, not of course by standing still, but by searching for and finding the diagonal of the strengths in camp and going forward on his way.

Do not expect much help from your party, since it is engaged in the preparations for its congress and in the difficult search for a political line. On the other hand, you can obtain some help from the parties that are most critical of you, the Socialist and the Communist. Just think, Honorable Cossiga, if the socialists and the communists come to an agreement on matters which they intend to pursue with the government, you will have a clear picture of the positions of the left, and since you have correctly stressed the need of dialog between the government and the parties, including those of the opposition, you will know what you can do in order not to impair cooperation with the left: in that manner not only will you properly tackle, that is, with broad consent, the problems that are most urgent, but you will prepare and improve the ground for a broader political understanding. You will merit the gratitude of the country and will have deposited a big amount of capital in the bank of your political future.

8255

CSO: 3104

'MANIFESTO' GROUP'S TAVARES ON DEMOCRATIC ALLIANCE SUCCESS

Lisbon POVO LIVRE in Portuguese 3 Oct 79 pp 8, 9

[Interview with Francisco Sousa Tavares of the Reform Manifesto Group; date and place not given]

[Text] Restive, argumentative and aggressive at times: that is how Sousa Tavares appeared to us; someone capable of noble ideas, but also of caustic criticism which is not always fair, insofar as we are concerned.

We could not resist delving into a debate which began many months ago, between the editor of A CAPITAL and the then editor of JORNAL NOVO, wherein it was proven that one sometimes arrives at common action via different paths, particularly if what is at stake is a concept of one's native land and of liberty which are being threatened more than ever.

We give notice to the readers of POVO LIVRE who might be surprised at the liveliness of the discussion that there is a long road to be traversed, and the great solutions for the future will have to be found in the debate between those who are wagering on it.

POVO LIVRE: What is your opinion on the signing of the agreement on electoral cooperation between the PSD [Social Democratic Party] and the Reform Manifesto Group?

Sousa Tavares: I think that it was constructive for both sides. It was constructive for the Reformers because it obviously gave them a political solution which they would not have had in the near future very readily. And I have the impression that it was of benefit to the Democratic Alliance, because it could bring to it a very large and very appreciable range of the electorate which was perplexed, which did not know in which direction to vote and which did not feel any great inclination toward voting for the Democratic Alliance.

POVO LIVRE: When you speak of the Reformers, you say "they." Are you not one of them too?

Sousa Tavares: Of course I am included as well; I am a Reformer too. Furthermore, a few days ago someone asked me if I were a Reformer too. Do you know what I said? I am a Reformer if the Reformers exist.

POVO LIVRE: Your attitude toward the Democratic Alliance when it was established was that it was, to some extent, a conservative bloc. Previously, when commenting on the PSD, you accused it of intending to form a right wing front. Your name has now appeared on the joint tickets of the Democratic Alliance, after the agreement between the PSD and the Reformers. Do you still consider the Democratic Alliance to be a conservative bloc?

Sousa Tavares: I think that there has been a qualitative change in the Democratic Alliance bloc, precisely because of the fact that the Reformers are included in it. The Democratic Alliance ceased to be a right wing bloc, and became a social bloc backing a constitutional change in the direction of creating a non-ideological fundamental law.

POVO LIVRE: But since the Reformers are so few in number do they have such a decisive contribution as that to make?

Sousa Tavares: You know, the Reformers may be few in number, but they unquestionably represent a portion of Portuguese political thinking. Moreover, it is difficult to determine their potential force in elections; but I know from my own personal experience that there are countless individuals who have been influenced by our attitude, and whose decision to vote changed or materialized when the Reformers became included in the Democratic Alliance.

We are not conservatives; and we could never be labeled such. One need only observe how A RUA received the Reformers' participation in the Democratic Alliance to understand how true my statement that the PSD-Reformers agreement made a qualitative change in the nature of the Alliance is.

POVO LIVRE: This being the case, and since there are some in the Democratic Alliance who are assumed to be conservatives, could this not produce clashes of positions regarding the constitutional revision?

Sousa Tavares: I think that clashes can always occur. But clashes on details of the constitution are one thing, and clashes on the fundamental structure of the society are something else. And I am certain that there will be none of the latter.

At the present time there is a democratic kind of thinking in the entire contemporary Western world which, while rejecting collectivism, likewise rejects any type of social immobility, traditional conservatism or socially apathetic capitalism.

The great collective venture of the West is now (and will be even more so in the future) closely linked with the maintenance and increasingly improved fulfillment of liberty and with the attainment of conditions marked by security and social justice such as never existed in past history.

After all, it is in the Western democracies, and only in them, that there is a relative achievement of the "classless society," and this is only possible through an intensification of the values of democracy, and never through a concentrationist, bureaucratic, collectivist, police state.

That is the deepseated intention of the Democratic Alliance: to gather the individuals who have an awareness of those values of the West, and whose program it is to achieve them in Portugal. Hence, there is no room in it for either collectivist Marxism, the social conservatism of the extreme right nor any police-oriented concept of the state.

PC [Communist Party] Is Neither Left Nor Right, But An Organized Lie

POVO LIVRE: Do you regard yourself as a leftist?

Sousa Tavares: It is obvious that I regard myself as a leftist insofar as my notion of the left is a notion essentially linked with the idea of progress and evolution in the two directions that I have already cited, toward an increasingly improved achievement of liberty and justice: in other words, the disalienation of man.

I do not agree that the boundary between left and right is associated closely or at a distance with the idea of greater or lesser collective ownership on the part of the state. I do not agree that the notion of the left or right is bound to the idea that one is on the left when he is close to the PC and on the right when he is far removed from it; because, in a way (and this statement has been made often), the PC is a conservative sepulcher of ideas which have been largely outdated by the evolution of our times. Moreover it is a party with the same morality as that of fascism with regard to the issue of liberty. Throughout the entire history of the world, liberty has been the great ferment of all human rebellion and nonconformity. There can be no left when liberty is disdained. And, therefore, in my opinion the PC is neither left nor right, but an "organized lie."

POVO LIVRE: In the past, you had harsh criticism for the PSD, and in particular for Sa Carneiro, whom you called emotional, a populist, unstable and even a dictator. Why are you now allied with Sa Carneiro and the PSD?

Sousa Tavares: The criticism that I made of Dr Sa Carneiro was always prompted by specific attitudes with which I did not agree, and still do not agree today. This does not affect the ideological issue, nor does it relate to recognition of the fact that he is now in a unique position to make a constructive change in Portuguese democracy.

I disagreed with Dr Sa Carneiro basically when he prevented his party from evolving toward an essentially Social Democratic position and one of rapprochement with the Socialist Party. I think that an alliance between these two parties, which was imminent during the summer of 1977, would have been essential for attaining conditions of governmental stability,

and for greater clarification regarding the structure of Portuguese society. Even now, I don't understand why that alliance was not made, unless it was for personal or tactical reasons that are beyond me.

My criticism was leveled at both Dr Sa Carneiro and the Socialist Party, for the same reasons. I think that they all gave us an area that was essential to Portuguese democracy: the area of a refurbished, non-Marxist left; in short, a European government left. I have an idea that there were always electoral calculations, on the part of both the Socialist Party and Dr Sa Carneiro, which interfered with the view based on the national interest.

I am likewise not certain that I myself have always been correct; but since I have always written what I thought and felt, those are the essential reasons for my criticism of Dr Sa Carneiro. I am pleased to note that it was not sufficient to create any kind of personal incompatibility between us. This is a superior quality on his part.

PS Did Not Surmount the Crisis Because It Was Incapable of Ridding Itself of the Collectivist Streak

POVO LIVRE: Do you think that the Socialist Party missed its historic opportunity?

Sousa Tavares: I think, as a matter of fact, that after the 1975 and 1976 elections the Socialist Party failed to take advantage of its historic opportunity. Its leftist complexes and the internal temporizing with second-rate demagogues who always claimed to represent the views of the "rank and file," caused the Socialist Party never to be able, but rather to refuse to assume an essentially Social Democratic position that would be capable of bringing about the radical change in Portuguese sociological conditions in a democratic context. The PS did not surmount the crisis because it was incapable of ridding itself of the collectivist streak. It lost politically, because it was incapable of pursuing the victorious path that it had managed to follow until the end of 1975. From then on, it became involved in maneuvering and in concessions on one side and another, without a clearcut course of action or idea. That is how historic opportunities are missed.

POVO LIVRE: You mentioned a collectivist streak. Is it only a streak, or an essence. I remind you of what Henry Levy said, at the conclusion of his book, "Barbarism of a Human Countenance," inventing another term, outworn socialism. What do you think of this?

Sousa Tavares: I call it a streak, precisely because no one believes in socialism as a total solution for society. But the myth remains. And people are comforted by partial demonstrations and with the idea that, eventually, the day of the Messiah's advent will come. This explains the literature using such expressions as "path toward socialism," and "socialist goal," or, as LE MONDE commented a few days ago, quoting a well-known French socialist, "baigner davantage dans le socialisme quotidien" [becoming steeped longer in everyday socialism].

This exists simultaneously with Mario Soares uttering such extraordinary comments as the claim that we must first become rich so as later to create socialism. This, in itself, indicates a realization, perhaps an unconscious one, that socialism is a process of poverty.

POVO LIVRE: For a long time, you criticized the holding of intercalary elections. Now you are intransigently defending them. Why?

Sousa Tavares: I criticized the intercalary elections while I thought that there would be no advantage in repeating, in new elections, the same parliamentary situation that emerged in 1976. I deemed it necessary for a new political force to arise, so as to fill the gap which I thought the PSD and PS either did not wish or did not know how to fill. Furthermore, I thought that presidential initiative could be the hidden or indirect source of that transformation of the Portuguese political scene. Time was required for this, and the intercalary elections could do nothing in this state of political evolution.

I began to accept the notion of intercalary elections for two basic reasons: because I considered the action of Parliament starting in February or March of this year tragic, with the Socialist Party going against many of its previous positions, and voting for legal statutes quite devastating to the nation; and, on the other hand, because I found that it was impossible to count on a change on the political chessboard at the president's initiative. Hence, it was necessary to create other potential systems for progress. Perhaps this explained my backing for the agreement between the PSD and the Reformers.

POVO LIVRE: Do you think that the president of the republic missed his big opportunity as well?

Sousa Tavares: It is possible. In any event, I don't think that it is fair to go too far in criticizing the president of the republic for not having been capable of leading or promoting an extremely difficult political process which is something that perhaps no one in this country had the ability to accomplish.

I consider it rather unfair to systematically criticize people for what they have not done, and not for what they have done. Now from the standpoint of what he has done to date, it does not appear to me that one can find any valid charges of abuse of authority, intentions based on megalomania or, generally speaking, an offense against essential respect for democracy. And this, coupled with an indisputable image of integrity, is rather important to our political activity.

POVO LIVRE: But don't you think that the president of the republic is a lone individual today?

Sousa Tavares: I think that the majority of the Portuguese people are lone individuals nowadays, and perhaps they recognize themselves in the

loneliness of the president of the republic. I am still convinced that the president of the republic has an electoral force of his own and, if you want to know, I don't consider it very useful as a strategy to add him to the other enemies of the Democratic Alliance. I would remind you of the story of the Horatii and the Curiatii: In the first battle, only one of the three Horatii was left alive. But the three Curiatii were wounded. The Horatii member created the necessary distance between his three pursuers to kill them one by one. If he had fought them at the same time, he would certainly have been the one to be eliminated.

POVO LIVRE: Is that an analogy with a certain amount of Machiavellianism, or is it only a story?

Sousa Tavares: Make use of this philosophy as you wish.

POVO LIVRE: There is some degree of pragmatism in your way of seeing things, but you are also enthusiastic about your ideas. Do you consider yourself a pragmatist or an idealist?

Sousa Tavares: I am definitely a pragmatist; I don't even understand what isn't pragmatic. This is precisely why I stopped being a monarchist; because I consider the restoration of the monarchy in Portugal to be impossible to achieve. I think that if the monarchy had become polarized as a center of opposition to the fascist power of the New State, it would have been an essential element in the democratization of the country. That was my dream, which I defended for many years, and which you can find in a book that I published, entitled "Unequal Battle."

Unfortunately, the conditions created by Salazar's Machiavellianism for the royal family, a certain and understandable lack of comprehension of the latter with regard to the Portuguese phenomenon and the fact that most of the monarchist thinking had been reduced to an historical myth of conservatism and of sentimental fidelity, put an end to an institution which would have been useful for solving the perpetual problem of the position of head of state. The example of this usefulness is obvious in much of democratic Europe, and in the democratization process in neighboring Spain.

I Have Great Esteem and Admiration for the PPM [Popular Monarchist Party]

POVO LIVRE: What is your opinion of the Popular Monarchist Party?

Sousa Tavares: It is clear that I have great esteem and admiration for the PPM. They are people who have had the same training as mine. It is quite different from the training of most Portuguese politicians.

We have always been accustomed to delving more deeply into problems, and going beyond the surface of what is said. For example, when the PPM or I myself talk about decentralization, development or the people's liberty, we do so with a great sense of depth, not only in concept but from an historical standpoint as well. We have always felt (and this is something

that I admire in the PPM) deeply associated with a reality which transcends the ideologies of every era. We have never attempted to destroy the past; we want the future to arise from it with an internal harmony wherein Portugal will always be recognized.

Moreover, it is obvious that the reputation gained by the handful of individuals who comprise the PPM, perhaps similar to the reputation of the Reformers, is that of not accepting "slogans," that of seeking exact solutions to the country's real problems, and of repudiating the facilities of the technocracies and imported ideologies.

POVO LIVRE: You are a "no" person. Do you prefer the minority to the majority?

Sousa Tavares: No, it is my opinion that the minority which is, actually, a political class, should not be a minority for "degradation" by the majority, but rather one for constant "cultivation" by that majority.

POVO LIVRE: Do you think that the political class should be the "enlightened vanguard"?

Sousa Tavares: No to that also. We are not trying to be the "enlightened vanguard." We simply want "in the beginning was the Word": that is to say, ideas should precede action, and action dissociated from ideas always leads to blind alleys in politics and to contradictory situations.

POVO LIVRE: Doesn't this hold true for Maria de Lurdes Pintasilgo?

Sousa Tavares: It holds true, if you will, in large measure for all the Portuguese politicians following the April revolution. They are a political class which has not engaged in any instruction.

POVO LIVRE: Don't you find any exceptions?

Sousa Tavares: I admit that they may exist.

Explanation of Agrarian Reform

POVO LIVRE: Will you run as a candidate representing Evora? What was your reaction to the invitation that the PSD gave you in this regard?

Sousa Tavares: I think that it was good. I think that if there is any phenomenon on the Portuguese political scene that requires public clarification it is unquestionably the problem involving Alentejo and the notorious agrarian reform. So many lies have been told about it, and so many erratic actions have been committed in its name that the explanation of this phenomenon will have to be one of the essential factors in putting democracy and, in general, all of Portuguese political activity, on a sound basis.

At present, Alentejo is like a cancer that is gradually infecting the authority of the state and the dignity of the law, as well as worsening the living conditions and the future prospects of the people of Alentejo, for the sake of merely partisan interests.

POVO LIVRE: We know that you have requested to be relieved of your position as editor of the newspaper A CAPITAL. Why did you take such a step?

Sousa Tavares: For obvious reasons. I think that a person seriously engaged in an election campaign cannot head a newspaper, particularly if it is a state newspaper, both because of intellectual and political restrictions (for everything that I wrote would smack of propaganda) and because of reasons related to availability of time. I believe that I have done my duty and set an example for everyone in the same circumstances; although to date, since 1974, there has not been any precedent of this kind.

POVO LIVRE: Do you not think that, in the future, when there is in the Assembly of the Republic a Democratic Alliance majority with such a variety of members ranging from those of CDS [Social Democratic Center Party] to the Reformers, conflicts of opinion are to be expected? In brief, do you foresee difficult times?

Sousa Tavares: I cannot tell you that I expect a bed of roses. I expect difficult questions to arise. But I have the feeling that, if we all bear in mind that what is essential in Portugal is to change an election law which is idiotic, to change a constitution which is paradoxical and which does not aid in the development of democracy, and even to change or destroy certain legal statutes which are bringing the nation's economic and social activity to a standstill, if these goals are shared by all the Democratic Alliance deputies, I think that the differences and the fundamental reasons for conflicts can be surmounted.

There will obviously be problems wherein different views will certainly occur. To cite just one example: the housing problem. Personally, I uphold rather leftist systems for a solution, or I might even say revolutionary systems which (I am certain) will not be those upheld by the majority of the Democratic Alliance. But, we shall see.

POVO LIVRE: What do you anticipate for the future?

Sousa Tavares: My political ideal is that the Reformers' effort will act as an initial impetus for the advent and development of a political force that I would like to see in existence, at least to make the two parties established in the area, PS and PSD, aware of the fact that the filling of that gap and the use of that political mentality are indispensable to Portuguese democracy.

POVO LIVRE: Are you referring to the formation of a new party? Starting with whom?

Sousa Tavares: A new party could only come into being starting with the Reformers and all those established in that area. But, as I explained previously, it might not be necessary if the existing parties were to evolve so as to fill the empty space.

POVO LIVRE: But would that not run counter to the political agreement between the PSD and the Reformers?

Sousa Tavares: We have no limits on our political activity beyond what is contained in that agreement. If a new party should become inevitable in the future, we would obviously inform our associates. I believe that the best way of cooperating is to avoid conflicts and to be very honest with one another.

2909

CSO: 3101

CUNHAL DISCUSSES EUROCOMMUNISM, PARTY DIFFERENCES AT PCP-PCI RALLY

LD261241 Lisbon AVANTE in Portuguese 11 Oct 79 pp 6-7 LD

[Apparent text of speech by Portuguese Communist Party (PCP) Secretary General Alvaro Cunhal at 6 October rally in Lisbon]

[Excerpts] Comrades, this friendship rally is the culmination of the visit to Portugal, heading a PCI delegation, by Comrade Enrico Berlinguer, whom we once more fraternally and warmly greet here before the people of Lisbon on behalf of the Central Committee and all party members.

Nor would it be necessary to say--because this can be seen and perceived--that it is with joy and deep feelings of friendship and solidarity that we receive him in Portugal--in the Portugal of April [1974] to whose defense and continuation the Portuguese people are deeply committed--thus enabling him to acquaint himself directly, even during a brief visit, with the Portuguese situation and our party's activity.

I believe that I am expressing the feelings of us all in personally wishing Comrade Berlinguer, the PCI and the Italian workers and people great successes in the struggle for democracy, national independence, peace and socialism.

Comrade Berlinguer's visit to Portugal at the invitation of our party's Central Committee is an expression of the relations of friendship and cooperation existing between the PCP and the PCI. The visit (we are confident) will help develop and strengthen even further relations between the two parties. And not that alone. In accordance with the two party's common aims, it will also help strengthen relations between the two peoples and countries.

There has been considerable speculation on the part of certain politicians and news media concerning Comrade Berlinguer's visit. Some people say that with this visit the PCP is joining "Eurocommunism." Others say that with it the PCI is abandoning "Eurocommunism." It is clear, comrades, that this speculation has no basis of any kind. Everybody knows that there are matters on which our two parties have different ideas.

The communist parties are equal and sovereign. They determine their policy independently. They operate under different objective conditions. They take into account the specific situations to resolve problems and methods of action. Each party has its history, tradition, experience and style--corresponding to the enormous richness of the revolutionary process and the creative ability of the workers and their parties.

Since each party is the most appropriate for examining and determining what is in the best interest of its people and country, it is no cause for surprise that the PCI and PCP should determine different aims and paths in the struggle for democracy and socialism and even have different opinions on this or that problem--thus, for instance, with respect to the Common Market and other issues.

However, despite the differences in situations, policies and certain assessments and opinions, one thing is certain: The PCP and PCI are two communist parties, workers parties, parties struggling for mankind's liberation from capitalist exploitation and oppression, parties struggling for the peoples' peace and independence, parties struggling for social progress, welfare and culture, parties struggling for socialism and communism.

These essential characteristics and aims bring us closer, unite us and bind us by indestructible ties of mutual respect, friendship and solidarity.

We know in Portugal the fear caused among the reactionary forces by understanding, friendship and solidarity among communist and workers parties and, in general, among workers in various countries. We know how they seek to exaggerate, inflate, publicize and describe as irreversible any difference of viewpoints among communist parties. We know how they seek to promote and encourage any signs of disagreement among communist parties, especially between parties in the capitalist countries and the parties in the socialist countries--specifically, the CPSU.

For our part, we Portuguese communists are sincerely and deeply committed to strengthening the ties of friendship and cooperation with the communist and workers parties in other countries, even when there are problems on which we have different ideas.

We regard as very positive the development of relations with the PCI, demonstrated by the exchange of delegations, mutual visits by study groups, participation in the festivals of each other's central organs, my 1977 visit to Italy and now Comrade Berlinguer's visit to Portugal.

CSO: 3101

CUNHAL ADDRESSES PCP NATIONAL CONFERENCE OF 14 OCTOBER

LD291021 Lisbon AVANTE in Portuguese 18 Oct 79 p 5 LD

[Apparent text of 14 October speech by Portuguese Communist Party (PCP) Secretary General Alvaro Cunhal at PCP National Conference in Lisbon: "Speech by Alvaro Cunhal"]

[Excerpt] Aims for Democratic Victory

Taking into account the proximity of the interim elections for the assembly of the republic and the local elections and the confusion in the campaigns and voting which would result from using different initials and symbols in the two elections, our party and the Portuguese Democratic Movement/Democratic Electoral Commission [MDP:CDE] have decided, as a counterpart to the electoral coalition already formed for the local elections, to form also a United People Alliance [APU] for the elections for the assembly of the republic.

Both by the enthusiasm it has aroused in all party organizations and in broad democratic sectors, and by the irritation and nervousness it has caused on the part of the right wing, we have confirmed that this decision was correct.

The APU will not only simplify the campaigns and voting, insure the certain election of some MPD deputies and lead (as we are quite confident) to an increased number of PCP deputies, but will also lead to the resurgence of a democratic mass unitary dynamic capable of attracting to political action and correct voting hesitant broad sectors of the electorate which are equally disillusioned with the reactionary parties, the Socialist Party [PS] and the leftists.

We regard as necessary and quite feasible three results of the elections which our party has set as aims:

1. Defeating reaction, keeping the Social Democratic Party/Popular Democratic Party [PSD/PPD], the Social Democratic Center Party [CDS] and their satellites in a minority.
2. Electing a democratic majority, specifically of communists and socialists.

3. Increasing appreciably the number of PCP deputies.

Reaction's defeat will be accomplished when the election results announce that the parties of the Reactionary Alliance [Democratic Alliance] have not achieved an absolute majority of seats in the assembly of the republic.

It is useless to them (as it was useless in the 1976 election) to have more deputies as a whole (as they had previously) than the PS, as long as the democratic parties (specifically, the PS and PCP) achieve a majority.

If the outcome of the election is a minority for the reactionary parties and a majority for the democratic parties, the formation of the new government (taking into account the outcome of the election, as the constitution stipulates) will have to be sought on the basis of a democratic majority and not the reactionary minority.

And this means that in order to insure that the outcome of the election paves the way for a democratic alternative, a numerical democratic majority is insufficient. It is necessary that, through agreements reached among the democratic parties--and primarily between the PCP and the PS--the numerical majority become a real democratic majority, giving a democratic government parliamentary and popular support.

We have tirelessly emphasized the imperative need for unity among all democrats and patriots in the struggle against reaction, and we have considerable evidence that broad sectors of the PS think as we do and would like rapprochement, agreement and joint action on the part of the two parties to become a reality in Portuguese political life.

The policy of democratic unity is a permanent characteristic of our party's policy.

That is why, until the election or soon after the election, the PCP will be constantly prepared to examine with the PS and other democratic forces the prospects for an agreement to resist reaction and form a real democratic majority and a democratic government.

The larger the poll for the APU and the stronger the PCP parliamentary group emerges from the election, the more the PS (leadership, party members and supporters) will be aware of the need for an agreement.

That is why increasing the poll for the APU and the number of PCP deputies, in which the MDP deputies will be added, takes on central and decisive importance.

A large poll for the APU will be a decisive factor for insuring that the numerical democratic majority becomes a real political majority on whose basis a democratic government will be formed.

PS Should Clarify Its Future Alliances

We continue to emphasize that it is undesirable for a single vote for the PS to be transferred to the reactionary alliance. But we also continue to assert with good reason that it would be extremely positive for many former votes for the PS to be transferred to the APU and the PCP.

It is uncertain whether a vote for the PS will be a vote for a real democratic majority or for an alliance with the right wing.

[LD291023] At all events, a vote for the APU will always be a vote for democracy, a vote for a real democratic majority and a vote for agreement among all democrats, specifically between the PS and the PCP.

On the part of the PS many ambiguities with respect to its future policy remain. It is essential that the PS clearly define, without contradictions or subterfuges, what it intends to do after the election, so that voters can vote consciously for democracy.

It is not sufficient to conduct an electioneering campaign against the PPD and the CDS; it is essential, so that voters can vote or not vote consciously for the PS, that the PS say whether it will seek alliances on the right (with the PPD and CDS) or on the left (with the PCP) after the election.

It is absolutely certain that the PS will remain a minority party. It is even to be assumed that its poll and number of deputies will be reduced.

With this almost inevitable result, what stance does the PS intend to adopt on the formation of the future government?

Since it would be absurd to believe that it could form a government on its own, without alliances either on the right or the left, what will the PS do?

Will it seek to help form a democratic government--and it can only do so by reaching agreement with the PCP? Or will it seek to help form a rightwing government, reaching agreement with the PPD, or the CDS or both?

Or is the PS preparing, as it did with the Mota Pinto government, to allow a PPD/CDS government to pass through in the assembly of the republic, with the false, illusory, dangerous and suicidal idea that the right wing in government would discredit itself and pave the way for the PS' recovery in the 1980 election?

The PS has not replied directly to these essential questions. And what its leaders are saying and writing arouses grave doubts, reservations and questions.

On the one hand its secretary general and other leadership members reject the possibility of agreement with the PCP, repeating that the two parties' programs are "antagonistic," and that they will conclude no government agreement with the PCP.

On the other hand they acknowledge that the PS could reach agreement with the PSD/PPD after the election. Mario Soares has already said this on several occasions over the last few days, and Sa Carneiro says in reply that he is also interested in an agreement with the PS.

Does this mean that the PS and PPD are clawing at each other on the stage and caressing each other behind the scenes?

In view of these omissions and statements, with what confidence can democratic voters, or PS voters or PS members themselves vote for the PS?

The PS leaders speak of the "useful vote" for the PS as the "useful vote" for democracy.

They also spoke in this way in 1976. But after promising the electorate a democratic and socialist program and after promising not to ally themselves on the left or on the right, they formed a government on their own, allied themselves on the right, launched the policy of capitalist recovery, drew up the Barreto law, initiated coercion against the agrarian reform, restored enterprises with state intervention to saboteur employers, crushed the working people under the burden of the packages [of economic measures], joined forces with the CDS--a party of the legal extreme right wing--allowed the Mota Pinto government to pass through and with this policy eventually allowed themselves to become outflanked and sidelined by reaction, which launched a comprehensive attack against the democratic system--an attack which proceeded successfully until the Mota Pinto government's dismissal and the calling of a mid-term election.

So what "usefulness" for democracy did the "useful vote" for the PS in 1976 have?

And now? Will a vote for the PS to enable it after the election to ally itself on the right again, join forces with the right wing to form a new government or make feasible a rightwing government be a "useful vote" for democracy?

If the PS does not answer these questions clearly, democratic voters and socialist voters will find it difficult to vote for the PS, because they certainly do not want, after voting for a democratic majority, to endorse with their votes a government of the reactionary parties, passing through in the assembly thanks to the PS, or a PS government with the reactionary parties' participation or support.

As far as the leftists are concerned, a vote for their candidates is a wasted, useless and mistaken vote, because the leftists, who have neither the ability nor the influence to elect deputies, are running solely in order to cause splits, oppose the PCP, win and neutralize a few leftwing votes and thus make possible the election of a few more reactionary deputies.

The facts and events demonstrate that the useful vote for democracy is not the vote for the PS and the leftists but the vote for the PCP and the vote for the APU, which will always be a vote for a real democratic majority and a vote for agreement and joint action on the part of all democrats, specifically communists and socialists, in the struggle to defend, consolidate and continue the Portugal of April [1974].

[LD291025] PCP's Program Against Reactionary Plan

Voting for a list means voting for people, but it also and, above all, means voting for a policy.

One of the election campaign's aims is to inform the voters of what each party will do if it wins the election.

The PCP is presenting its aims clearly to the Portuguese people, because it is the party of truth and a party which keeps its word.

In voting for the APU and thus electing PCP deputies, voters will be completely certain that the PCP will act strictly in accordance with the aims which it specifies in the election campaign.

Whereas reaction includes in its program intolerance, hatred, political persecution and the grave restriction of democratic freedoms through fascist-type regulations, the PCP advocates tolerance, respect for other people's opinions and the consolidation of all the freedoms achieved with 25 April [1974] as a precious asset which the people do not wish to lose again.

Whereas reaction includes in its program as what it terms economic recovery measures an even greater deterioration in the workers' living standard (with an acceleration of the increase in the cost of living, mass dismissals, the cancellation of social benefits and so forth), the PCP advocates, as an essential part of its program, the improvement of workers' living conditions, with an increase in wages, the containment of prices, a real right to collective bargaining, the creation of new jobs, the improvement of social security, a national health service and the safeguarding of the rights of women, young people, the retired, the disabled, widows and abandoned orphans, the homeless and emigrant workers.

Whereas reaction includes in its program an education system and culture reserved for the elites and the children of the wealthy, while the people are condemned to illiteracy, superstition and obscurantism, the PCP advocates education and culture at the service of the people.

Whereas reaction includes in its program the abolition of the nationalization measures, ruining sectors and enterprises, squandering public funds and handing the national economy over again to the Mellos, Champalimauds, Espirito Santos and their like, the PCP advocates the final elimination of the monopoly groups, the consolidation of the nationalized enterprises and sectors and their galvanization as key sectors for the development of the national economy, without prejudice to guaranteeing conditions for the capitalist sector's normal activity.

Whereas reaction includes in its program the coercive, brutal and repressive elimination of the agrarian reform, the restoration of the big estates, the eviction of tenant farmers by wealthy landlords and the handing over of uncultivated land to reactionary bosses, the PCP advocates the complete implementation of the agrarian reform, with the elimination of the big estates, the restoration to the collective production units and cooperative of the land, livestock, machinery and assets arbitrarily and unlawfully extorted from them, the upholding of the interests and rights of the tenant farmers and the small and medium farmers and the complete and final handing over of the uncultivated land to the people.

Whereas reaction, on the grounds of defending enterprises' productivity and profitability, includes in its program the protection of big private enterprises and the elimination of thousands of small and medium enterprises, since, in its opinion, the country "must put an end to the transparent veil of the Marxist fantasy about small and medium enterprises," the PCP advocates economic and financial support for this important sector of the Portuguese economy, access to cheaper credit, increased output and the expansion of the domestic market.

Whereas reaction includes in its program the unconstitutional revision of the constitution, the destruction of the democratic system and the establishment of a new dictatorship, the PCP maintains that any solutions to the nation's problems must necessarily be found within the framework of the institutions and of the democratic system enshrined in the constitution, whose defense is a central task for the Portuguese democratic forces.

Whereas reaction, dominating the Azores and Madeira regional governments and encouraging separatism, includes in its program such a degree of autonomy as would endanger national unity and Portugal's territorial integrity, the PCP advocates the unity and territorial integrity of the Portuguese nation and the Portuguese state.

Whereas reaction includes in its program the restoration of the monopolies, coinciding with an invasion of Portugal by the multinationals, an even greater exacerbation of the foreign debt, passive acceptance of the IMF's humiliating impositions, entry into the EEC on terms which would mean ruin for the nation's industry, fisheries and agriculture, passive acceptance of command of the Portuguese armed forces by NATO generals, and complete submissiveness and subordination to imperialism, the PCP advocates a national and patriotic policy which by mobilizing domestic resources and energies will lead to real economic recovery and development, liberate the country from foreign imperialist domination and guarantee Portugal's free, democratic and independent future.

[LD291027] The policy which the PCP proposes is fully in keeping with the interests and aspirations of all antimonopoly classes and sectors.

It is a policy which is wholly in accordance with the constitutional system under which we live.

It is a policy for resolving the people's and the country's problems. It is a policy of stability, democratic order and public security and calm.

It is a policy of the people's dignity and national dignity, aimed at freedom, happiness and welfare for the Portuguese people and peace and independence for Portugal.

We are absolutely certain that as a result of the massive poll for the APU, the election will demonstrate that there is an increasing number of Portuguese people who support the PCP's policy as the correct and necessary policy for the people and the country.

CSO: 3101

CAP'S CASQUEIRO CRITICIZES PRESIDENT'S LACK OF DIRECTION

Lisbon EXPRESSO in Portuguese 13 Oct 79 pp 18R-19R

[Interview with Jose Manuel Casqueiro, president of the Portuguese Farmers Association (CAP), by Maria Joao Avilez; date and place not given]

[Text] If we had to summarize this interview in two words, they would be "good-bye Eanes."

Strangely enough, Jose Manuel Casquero, 35 years of age and president of the Portuguese Farmers Association, was far more judicious than he might appear at first glance, when his comments are read; always giving the impression, throughout 2 hours of conversation, that he has more trumps up his sleeve....

An outstandingly controversial figure, he is accused by some of playing too many games and is defended by those who consider him an extremely well informed and influential person, almost wherever he wishes to be.

As for himself, he says, among other candid comments and with a disarming unassumingness: "I appointed a few ministers and was responsible for the downfall of some others." Are these good times? Like a good sly fox he does not appear to be bothered and is waiting for his chance to come again.

In any event, he is a very lively conversationalist, with an appreciable sense of humor and great mental agility; or, even better, he has a strong intuition for how to move, and when....

EXPRESSO: About 3 months ago, EXPRESSO requested an interview with you. You always refused to grant it. Why have you decided to break your silence now?

Jose Manuel Casqueiro: I feel that the seriousness of the crisis in the institutions resulting from the government's action and the increase in the PCP's [Portuguese Communist Party] influence both in the state apparatus and in the civil society, the general tone of the public statements made by the president of the republic and, in particular, some of his most recent comments, preclude my maintaining the silence that I desired any longer.

EXPRESSO: Why not maintain your previous silence even if only for awhile longer?

J.M.C.: Failing to disclose the reality of some of the important experiences that I have had in this revolution would mean compromising myself with the extremely serious situation that is about to materialize.

EXPRESSO: Let us begin at the beginning: How did you meet Ramalho Eanes?

J.M.C.: It was a normal occurrence which took place after 25 April.

EXPRESSO: I believe that it was a normal occurrence...But as an answer, it is insufficient....

J.M.C.: It means that my direct acquaintanceship with General Eanes did not occur until after his election, although I had contacts with his military group prior to 25 November.

EXPRESSO: You are in the habit of saying that you don't consider yourself an "adviser" of Eanes, but rather a "constant visitor to Belem." Be that as it may, what is, or what was, your actual importance to the president of the republic?

J.M.C.: I don't know, nor did I ever know exactly. I confined myself to offering the president the cooperation that we both deemed possible, and insofar as there was a mutuality of interests. Some of his collaborators claim that my views were taken into consideration, but I think that only the president himself could tell the real value that he attached to them.

EXPRESSO: With regard to collaborators, what is your opinion of the various advisers who have been at Belem throughout the past 3 years?

J.M.C. Generally speaking, it is a poor one. The president of the republic either did not know how, or did not want to surround himself with a competent, politically homogenous group. At Belem, the homogeneity is guaranteed by political heterogeneity....

EXPRESSO: That answer leads me immediately to another question: How would you categorize General Eanes' political course of action?

J.M.C.: Eanes' political course of action is as difficult to describe as he himself is. However, it may perhaps be typified by two quite different periods: the one wherein the president acted with a certain amount of stringency and an obvious concern for following, insofar as possible, the political views of the majority that elected him; and another, wherein the sense of stringency was replaced with an experimental casuistry which was more attuned to events. Strangely enough, the first period coincided with the one in which Dr Henrique Granadeiro was chief of the civilian household....

Reinforcement of the President's Powers, and Rio Maior Meeting Arranged With Him

EXPRESSO: A great deal has been said, and there are still some today who talk about "presidentialism." Did the president of the republic ever discuss this with you specifically; that is, his desire that the notion would at some time be materialized?

J.M.C.: I think so. We discussed this several times, and General Eanes was of the opinion, during this period, that a better determination of powers between Parliament and the president was essential, with a reinforcement of those of the latter. Moreover, the governments of independents were nothing but a feeble attempt to reinforce presidentialism. It would be ridiculous to deny this at present.

EXPRESSO: Was there at that time any intention of going ahead with the idea of a presidential party sponsored by him?

J.M.C.: Not sponsored by him, but backed by him. The president of the republic could not sponsor what did not yet exist.

EXPRESSO: Did he ever mention this to you?

J.M.C.: Certainly. Several times, because we then had coinciding views on the need to form a majority parliamentary bloc of partisan forces.

EXPRESSO: Could one infer from all this that all those conversations or exchanges of views were directly related to the Rio Maior meeting which, even today, several months later, appears to have been surrounded by a certain aura of mystery, but also with a certain amount of ambiguity?

J.M.C.: That meeting resulted from a reflection of the analysis that we made jointly of the nation's political situation and of the need to find a potential solution.

EXPRESSO: What factors were considered in that analysis?

J.M.C.: There were several. Recognition of the obstacles to the formation of a Fifth PS [Socialist Party]-ASDI [Independent Social Democratic Association] Government, which would cause a bipartizing radicalization of Portuguese society and which both of us considered undesirable; the acceptance of the principle of the "referendum;" the negative effect of several elections; and the need to establish a central political force which would replace the Socialists in the formation of a presidentialist bloc.

The President Agreed to Propose the Referendum Himself

EXPRESSO: This is not in line with General Eanes' known positions on the subject. Did the president, in fact, ever accept the principle of the "referendum"?

J.M.C.: Yes; however, placing limits on the manner and occasion of its implementation. He even appeared to be very apprehensive about the international campaign that the Socialists were then conducting against the "referendum." (Soares had gone to Washington at this time.) Also, the president told me several times that, with the present constitution, he would not agree to be a candidate again, and agreed, as a final solution, to be the one to propose the "referendum" in October 1980, simultaneously announcing his refusal to run as a candidate again.

EXPRESSO: Who organized that meeting, and what contacts were made for it?

J.M.C.: It was I. I invited independent political personages, former members of the PS and PSD, members of the government and former governors.

EXPRESSO: Had that list of personages been submitted in advance to General Eanes?

J.M.C.: Of course it was. It was devised in accordance with what had been arranged with the president of the republic.

EXPRESSO: Who were those personages?

J.M.C.: Loureiro dos Santos, Barbosa de Melo, Figueiredo Dias, Santos Martins. Antonio Barreto, Sousa Franco, Vilhena de Carvalho, Mario Pinto, Ferreira Junior, Brigue do Amaral and the representative of the then prime minister, Mota Pinto. Medeiros Ferreira and Vitor Cunha Rego, although absent, were in agreement with the spirit of the meeting.

EXPRESSO: At that meeting, what was the actual status of the defense minister, Loureiro dos Santos? There were some who claimed that he was at Rio Maior in the capacity of a "representative" of the president of the republic; whereas official circles gave assurance, when the meeting was announced, that Loureiro dos Santos would attend the meeting merely as an "observer."

J.M.C.: When I issued the invitations, I informed the recipients of the purposes of the meeting and noted that Col Loureiro dos Santos would be present as a representative of the president of the republic, as had been originally agreed. It was not until two days before the meeting that I was informed by the president that he would not attend as a representative, but rather as an observer.

Since it was by then impossible to cancel the meeting, it was in the capacity of an observer that Col Loureiro dos Santos attended the Rio Maior meeting. However, I cannot fail to stress Loureiro dos Santos' great consideration and the dignity of his attitude, when he was subjected to the harshest criticism by the PS merely for serving his military leader.

EXPRESSO: And what about afterwards? Was there an "afterwards;" that is, did that meeting have any follow-up?

J.M.C.: Afterwards? The president selected engineer Pintasilgo, opting for Sousa Franco and destroying the plan, because we all dissociated ourselves from it.

EXPRESSO: But was it you who became dissociated, or the president who "after all" lost interest? In other words, who let whom down?

J.M.C.: It was the president who made the choice....

'The Socialism or Liberalism of Nothing'

EXPRESSO: Do you think that Eanes has a political plan? How would you describe it?

J.M.C.: I don't know about today. Perhaps there is a strange model consisting of socialism and liberalism, which would put in the same PC bag the CDS [Social Democratic Center Party], CAP and INTER [Intersindical], a kind of National Socialist Union without Soares or Sa Carneiro, wherein humanism and Third Worldism, Marxism and Christianity, collectivism and private enterprise, and a market economy and a planned economy would coexist....In short, the socialism or liberalism of nothing.

EXPRESSO: But you admitted some time ago, publicly, that, after the appointment of Maria de Lurdes Pintasilgo, the president again insisted himself and with other independent political personages on the formation of a political party.... Is that accurate?

J.M.C.: It is true, but at that point our disagreement was total. To me, the appointment of engineer Pintasilgo was unacceptable, because of her plan, because of the bipolarizing dynamics that she produced, because of the alienation that she caused among the political forces essential to the formation of the presidential bloc and because of the expansion of the PC's influence on the government.

EXPRESSO: But this is your position. What was that of the president himself?

J.M.C.: The president justified the appointment of engineer Pintasilgo with the conviction that she would govern with authority and use a "new" humanistic language of truth, which would give rise to a confrontation with the democratic parties (PS, PSD and CDS) and, through bipolarization, create a "central political vacuum," enlarging the area of intervention for a new political force. Although this might be correct according to the laws of physics, in politics it is an utter absurdity. The results are obvious. Despite the fact that the government is bad and incapable of carrying out Eanes' strategic plan, it brought about the confrontation with the parties and produced confusion among the Portuguese people. It only benefited the PC, as I took pains to explain to the president when I refused to participate jointly in his plan.

The president of the republic backed the formation of a new political party in June to prevent bipolarization; and in July he defended bipolarization as a means of aiding in the birth of a new political party....

Eanes Should Complete His Term To the End

EXPRESSO: From your standpoint on matters such as the change in the situation and the president's attitude in relation to the issues that you have told me about, do you think that the president of the republic should resign from his position or is it your opinion, on the contrary, that this would be counterproductive?

J.M.C.: No, I think that General Eanes should complete his term to the end. In the institutional crisis besetting the nation, the resignation of the president of the republic (who is chief of the Armed Forces General Staff) might cause instability among the armed forces and jeopardize the democratic system in Portugal.

What General Eanes should do is change his political activity, cooperating with the future Parliament and with the government resulting therefrom.

EXPRESSO: Why are you currently affiliated with the Democratic Alliance? Could that attitude on your part be considered a kind of revenge taken on Eanes yet not dying of love for Sa Carneiro?

J.M.C.: I agreed to be a Democratic Alliance candidate as an independent, because I consider these elections critical to the political future of Portugal and because I feel that no genuine Portuguese who believes in democracy has a right to refuse to participate in or contribute to the construction of a new, real democracy.

Apart from the differences in feelings or strategy that may exist among the members of the Democratic Alliance, essentially there is a possibility of a pooling of efforts for a common goal: the formation of a new parliamentary majority.

EXPRESSO: But, in any event, could your candidacy be regarded and interpreted as a final break with Eanes?

J.M.C.: No. The political break with Eanes occurred when he chose engineer Pintasilgo as prime minister, and opted for the nebulous political plan that she represents, which is so pleasing to the PC. My candidacy represents something considerably more important: the break with the revolutionary period and the desire for a definitive encounter with a truly democratic period.

EXPRESSO: But do you agree that there is a contradiction between countless statements made by you indicating the defense of "presidentialism" and the fact that you are now one of the candidates for Parliament?

J.M.C.: No. I still uphold the preeminence of the presidential authority over the parliamentary authority, but with respect for well-defined rules, which not only contribute to lending dignity to the institutions, but also reinforce the state's authority.

In the presidentialism that he upholds for Portugal, the president of the republic should be committed to the political plan of the majority which elected him. The electoral victory of the bloc of political forces which make up the Democratic Alliance can and should be the base of the majority which will make a choice at the proper time on the future of the president of the republic.

Natali's Criticism of Portuguese Agriculture

EXPRESSO: You seem to like "politics" so much, and work so much on it and for it that you almost neglect everything else...agriculture, for example. As a head of the CAP, how would you comment on Natali's statements during his recent stay in Portugal?

J.M.C.: Natali's correct criticism of the status of Portuguese agriculture was extremely timely. We are heading backwards and becoming increasingly distant from Europe. On the Common Market, the levels of agricultural productivity are improving, whereas in Portugal production has declined; Europe is governed by the principles of the market economy, while we are living under a protected economy which gives privileges to the collective sector and shows hostility for the private sector; in the EEC [European Economic Community] there are no UCP [People's Cooperative Unions?] nor so-called state cooperatives, while in Portugal laws are passed in defense of the collectivization of land. It is not Europe that will gear itself to the Portuguese economic model, but rather Portugal which must gear itself to Europe.

EXPRESSO. There is constant discussion of "agrarian reform" in all political sectors and among the public. But no genuine in-depth option has been taken. Could it be claimed that there is a genuine political plan in that area?

J.M.C.: It is true. What is at stake is not the alleged irregularities, or the reservations; what is at stake is the political plan of the agrarian society that we want to build in Portugal. We must have courage, and opt for the European agricultural model. It is not worthwhile discussing the details without having determined what is essential.

EXPRESSO: How would you comment on Maria Lurdes Pintasilgo's recent statements concerning RA [Administrative Reform]?

J.M.C.: The prime ministers' unfortunate remarks have involuntarily caused a serious crisis involving a lack of authority and legal status among the organs of power. It is serious when an executive authority judges the executive authority that preceded it, with a complete disrespect for the judicial branch, contributing decisively to an undesirable indefiniteness regarding the authority that is incumbent on each of the organs of sovereignty.

EXPRESSO: To change the subject, what is politics to you, sincerely and in fact?

J.M.C. It is a challenge to a society's capacity for organization.

EXPRESSO: You seem to have wagered on the Alliance, even though, if I may say so, it might be interpreted just now as a "good-bye" to Eanes, a gesture wherein you have not failed to apply a certain amount of "revenge," or at least something from which you apparently want to obtain some redress. But the question that I am asking you is a different one: Are you also counting on the victory of the Democratic Alliance? Do you consider it possible 2 months from now?

J.M.C.: I believe so....

EXPRESSO: You don't seem very sure....Is it because of pessimism, or....

J.M.C.: I am optimistic by nature, but where the future is concerned I have the realism of a countryman; and therefore I do not view the future with optimism.

2909

CSO: 3101

WORLD BANK PROVIDES DEVELOPMENT LOAN

Lisbon JORNAL DA ECONOMIA supplement to JORNAL NOVO in Portuguese 19 Sep 79
pp 1, 16

[Text] Yesterday IFADAP [expansion unknown] signed a refinancing contract with the Portuguese Bank of the Atlantic. The contract is based on a loan from the World Bank. Two more identical contracts will be signed today these with the Fonsecas and Burnay Bank and the Portuguese Bank Union. The three refinancing contracts are to be used in a project for providing credit to agriculture in Alentejo and to fishing throughout the country.

The project totals approximately \$253 million (about 12.5 million escudos) [as published; presumably contos intended] and is being financed by the following sources:

Portuguese: \$160 million (about 8 million contos).

World Bank: \$70 million (about 3.5 million contos).

Another foreign organization: \$23 million (about 1.1 million contos).

In the case of agriculture, the project is intended to:

1. Grant loans over a 3-year period for investments as follows:

About 80 farms in the cooperative sector.

About 560 medium-sized private farms.

About 1,000 farms of the family type.

(All of the above loans will be used in the districts of Evora, Beja, and Portalegre.)

2. Grant seasonal credit to meet the annual need for operating capital resulting from the above investments.

In this case, the project is intended to contribute basically to the following goals in the above-mentioned regions:

Increased fodder production (annual and permanent).

Larger livestock herds (cattle and sheep).

Increased production of cereals and oil crops.

In the case of fishing, the project is intended to:

1. Grant loans for the construction and outfitting of 25 wooden boats for small-scale (independent industrial) fishing with longlines and nets. The boats will be of the following types:

Ten boats with an overall length of 16 meters.

Ten boats with an overall length of 22 meters.

Five boats with an overall length of 30 meters.

In this particular field (fishing), the project is intended to contribute basically to the following:

1. Replacing and modernizing the small-scale fishing fleet.

2. Increasing fishing production.

As far as the terms of the loans are concerned, financing in the case of agriculture will amount to up to 85 percent of the cost of the project for developing the agricultural unit. The loans will run for 10 years with no amortization for the first 2 years (the grace period), during which only interest payments will be made. The amount will be set in accordance with the needs of the project, and the guarantees will be the object of negotiation between the farmer and the credit institutions in accordance with SIFAP [expansion unknown] regulations.

In the case of fishing, all construction will be entitled to a nonreimbursable subsidy amounting to 20 percent of the project cost. Financing may be as high as 95 percent of the project cost after deduction of the respective subsidy. The grace period will be regarded as the construction time plus 1 month, during which only interest will be paid. The loans will run for 8 years beyond the grace period. The amount of financing will be unlimited, and repayment will be effected by deducting at the fish auction a percentage--to be determined--of the gross value of the catch. Lastly, the guarantee will be a mortgage on the boat or other guarantees to be negotiated between the fishing enterprise's owner and the credit institutions in accordance with SIFAP regulations.

As shown in table 1 [not included], interest rates are the same for the agricultural and the fishing projects.

TOURISM-RELATED EARNINGS INCREASE TWOFOLD

Lisbon O DIA in Portuguese 18 Sep 79 p 2

[Text] Data released by the Bank of Portugal show that in the first 4 months of this year, tourist-related earnings increased 122.6 percent in comparison with the same period in 1978. They totaled 9.17 billion escudos.

For April, in which earnings totaled 2,237 million escudos, the increase in comparison with the same month last year was 103.5 percent.

In the first 4 months of 1979, most of the earnings were provided by tourists from the United States (2,474 million escudos), followed by those from France (1,510 million), the FRG (1,376 million), and the United Kingdom (1,328 million).

In the same period, expenditures on tourism totaled 2,594 million escudos for an increase of 116.3 percent over the same period last year.

Expenditures in April amounted to 574 million escudos--75.5 percent more than in April 1978.

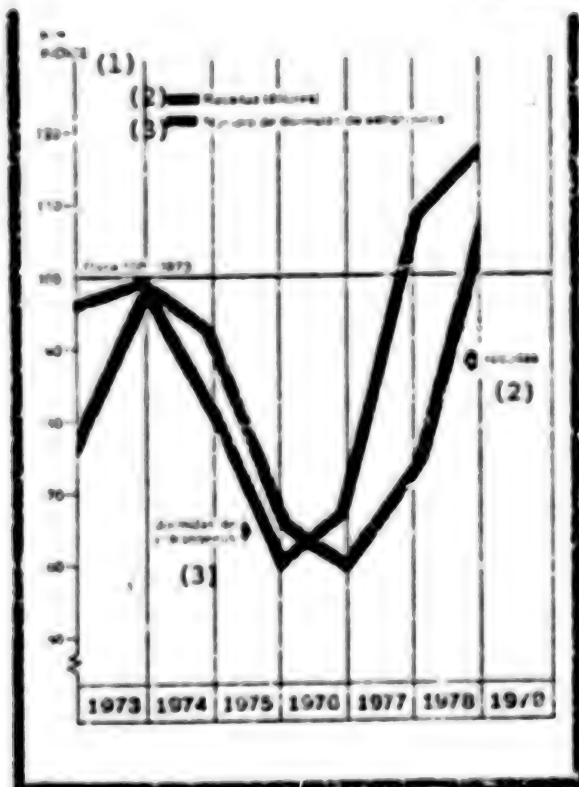
We also gleaned a few figures from "Estatisticas do Turismo" [Tourism Statistics] for 1978, a publication issued by the main office of the National Statistics Institute.

In 1978, hotel establishments in the districts north of the Douro River had 653,929 guests (102,301 in the Braga District, 60,870 in Braganca, 371,656 in Porto, 52,172 in Viana do Castelo, and 66,930 in Vila Real) and 1,739,544 overnight lodgings (455,027 in the Braga District, 128,175 in Braganca, 878,508 in Porto, 133,388 in Viana do Castelo, and 144,446 in Vila Real). In comparison with the year before, those figures reveal an increase of 5 percent in the number of guests and a decrease of 20 percent in the number of overnight lodgings (625,321 guests and 2,083,725 overnight lodgings in 1977). The decrease in the number of overnight lodgings in 1978 was due chiefly to the decline noted in the districts of Porto (down 133,133, or 13 percent less than in 1977), Viana do Castelo (down 95,770, or 40 percent less than in 1977), and Vila Real (down 104,236, or 42 percent less than in 1977).

Residents of Portugal provided the districts in question with 1,424,224 overnight lodgings, or 82 percent of the total. In the Braga District, residents of foreign countries accounted for overnight lodgings as follows: the FRG (18,015), Holland (10,984), and the United Kingdom (13,522), for a total of 42,521 (66 percent of the total). In the Braganca District, 2,442 came from Spain and 2,418 from France for a total of 4,860 overnight lodgings (63 percent of the total). In the Porto District, the FRG provided 29,613, Spain 50,338, the United States 10,547, France 30,467, Holland 14,801, and the United Kingdom 22,684. This totaled 158,450 overnight lodgings (75 percent of the total). In the Viana do Castelo District, Spain provided 6,034, France 3,103, Holland 2,280, and the United Kingdom 6,009, for a total of 17,426 (69 percent of the total). And in the Vila Real District, Spain provided 1,131 and France 1,282 for a total of 2,413 overnight lodgings (45 percent of the total).

"Estatísticas do Turismo" for 1978 can be consulted by the public at the library of the National Statistics Institute's office in Porto.

Tourism
(Index numbers)



Key:

1. Index numbers
2. Earnings (in dollars)
3. Overnight stays by foreigners

EMIGRANT REMITTANCES REPORTEDLY INCREASE

Lisbon O DIA in Portuguese 18 Sep 79 p 2

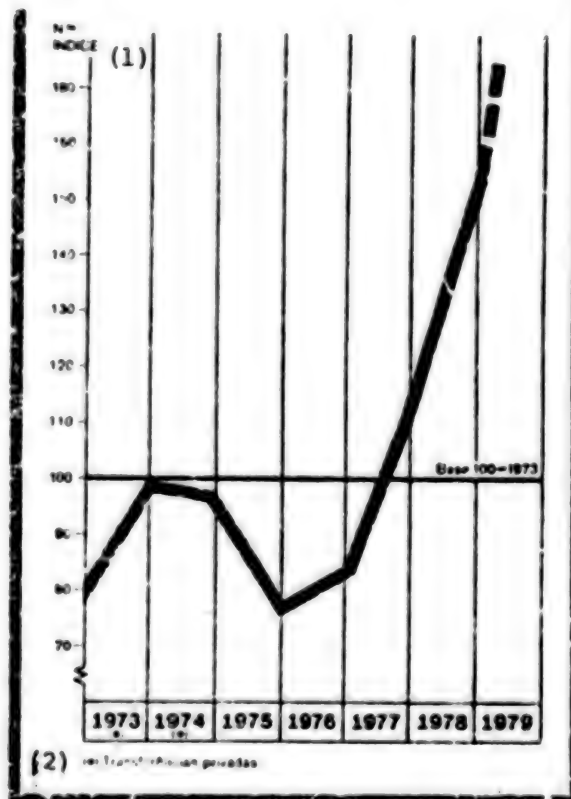
[Text] The Bank of Portugal reports that remittances by Portuguese emigrants rose by 37.08 percent in the first half of 1979 in comparison with the same period the year before. They totaled 49,522 million escudos. But those figures do not take into account the devaluation of the escudo.

Remittances totaled 8,709 million escudos this past June, an increase of 58.08 percent over the figure for June 1978.

The same source says that most of the remittances sent during the first half of this year came from the OECD countries (39,765 million escudos). Portuguese emigrants in the United States and Canada provided 4,697 million escudos, while those in the "rest of the world" contributed 5,060 million.

11798
CSO: 3101

Emigrant Remittances
(Index numbers in dollar values)



Key:

1. Index number
2. Private transfers

FISHING INDUSTRY SHOWS DECREASE IN CATCH

Lisbon O DIA in Portuguese 18 Sep 79 p 2

[Text] According to data published by the National Statistics Institute in connection with fish catches in continental Portugal and its adjacent islands (the Azores and Madeira) during the first quarter of 1979, there was a drop of 15.2 percent in comparison with the same period in 1978 (a decrease from 41,185 tons to 34,939 tons).

What this means is that in the first quarter of 1979, Portuguese fishing reached a 5-year low in terms of the size of the catch, while at the same time the exchange value of fishing soared. In the period under analysis, the first quarter of 1974 showed an average price of 14,940 escudos per ton of landed fish. In the comparison period (January through March 1979), the same price was 51,590 escudos per ton. In terms of 1974, this represents an increase of 245 percent.

Total Fish Landings in Portugal
Period covered: January through March

ANO 1º trim.	Quantidade em ton.	Indice 1974=100	Valores em 1000 Esc.	Indice 1974=100
(1)	(2)	(3)	(4)	(5)
1974	39.359	100	588.039	100
1975	45.881	117	716.465	122
1976	50.999	130	1.279.573	218
1977	37.886	96	1.258.991	214
1978	41.185	105	1.494.568	254
1979	34.939	89	1.802.507	307

Key:

1. Year (first quarter)
2. Quantity in tons
3. Index (1974 = 100)
4. Value in 1,000's of escudos
5. Index (1974 = 100)

BRIEFS

SOARES CRITICIZES PCP ATTITUDE--In an article in today's issue of the daily PORTUGAL HOFE, owned by the Socialist Party [PS], PS Secretary General Mario Soares condemns the Portuguese Communist Party [PCP] and its leader Alvaro Cunhal for having been among the first to kill the hopes raised by the so-called Prague spring with their support for the Soviet invasion of Czechoslovakia in 1968. In another part of the article, Mario Soares mentions the criticism leveled at the recent Prague trials by members and press organs of European communist parties and points out that--quote--as far as the PCP [Portuguese Communist Party] is concerned, there has been total silence--unquote. And Mario Soares adds: The political and human problems raised by the Prague trials seem not to interest the Portuguese communists even now when they are trying to convince us that they have changed and are giving themselves airs of lovers of freedom. Mario Soares goes on to say: But how can anyone in good faith believe that the PCP has changed, that it is committed to our present democratic regime and to the rights of the individual enshrined in the constitution, when in fact it continues to show the same old totalitarian and follow-the-leader [seguidista] reflexes. [Text] [LD291608 Lisbon Radio in Portuguese to Europe 1230 GMT 29 Oct 79 LD]

CSO: 3101

PCE AIDE POSES ISSUES STEMMING FROM PONOMAREV ATTACK ON EUROCOMMUNISM

LD301821 Madrid MUNDO OBRERO in Spanish 25 Oct 79 p 7 LD

[Editorial by PCE Executive Committee member Jaime Ballesteros: "On Ponomarev's Speech"]

[Text] We Spanish communists have learned--first through the TASS News Agency and later through the text supplied by the Soviet comrades--of the ideas and expressions contained in the speech which CPSU Central Committee Secretary Boris Ponomarev delivered in Moscow.

According to the TASS News Agency, Ponomarev maintained that "the leadership of the parties in these countries (of the Eurocommunist parties) is beginning to realize that Eurocommunism is harming the international communist movement and their own parties, and is causing great dissatisfaction among ordinary communists and party cadres. He also stated--again according to TASS--that "The CPSU Central Committee will help by every possible means to surmount deviationism with respect to Marxism-Leninism and proletarian internationalism, and will promote the cohesion of the communist movement on these foundations."

In view of the gravity of these statements, which apparently expressed a stance on the part of the CPSU, or at least of Ponomarev--an avowed enemy of the parties which we recognize as Eurocommunist--involving an explicit threat, there have been vigorous statements and stances on the part of the PCI, the PCF and, for our part, in MUNDO OBRERO.

The Soviet comrades have subsequently sent us another text, different from that published by TASS, telling us that "this is the original text of Ponomarev's report." We are also told that "the text issued 18 October by TASS (the one with which we are now acquainted) is the official text of the report, to which reference must be made in assessing it, and not to the correspondent's commentary previously published by TASS, which contains grave inaccuracies."

We publish the new, definitive text in question in MUNDO OBRERO today, in accordance with our sound practice of insuring that the various stances in controversies are known.

Relying, accordingly, on the version supplied by the Soviet comrades, we cannot fail to ascertain that it continues the attack against Eurocommunism. And we wish to make it very clear that we are not protesting because Comrade Ponomarev is expressing opinions opposed to Eurocommunism. We are not opposed to the public expression of critical ideas. But what we continue to reject is that an attempt should be made to present Eurocommunism as something fabricated by bourgeois propaganda, without entering into serious discussion of Eurocommunism as such.

The PCE reaffirms its Eurocommunist conceptions with complete conviction. These conceptions derive from lengthy revolutionary experience, have been approved and endorsed by the entire party and represent an entire alternative program for society which is inalienable for our party. In this sense we are not worried by criticisms which may be leveled against us; on the contrary, they will be the cause for greater enhancement of our policy.

Defamatory campaigns are a different matter. Here in the West the right wing is conducting a systematic anticommunist campaign. And the form which this campaign principally takes is an attack against Eurocommunism, spreading rumors of its weakening and even periodically announcing its death. The right wing in West Europe knows very well that Eurocommunism is its principal enemy, because it is the revolutionary conception capable of paving the way for the transformation of these societies which will surmount capitalism's worsening crisis. And precisely because Eurocommunism adopts the democratic and pluralist path toward socialism, because it identifies itself with a pluralist socialism in freedom which fully respects human rights--in a word, because it establishes revolutionary Marxism among what is most progressive in Western traditions--it is being subjected to a constant attack from the conservative forces in our countries.

This attack is logical and natural: in the long term Eurocommunism is destined to become the gravedigger of capitalism in West Europe. But what is the reason for the repeated attacks against us from the Soviet Union, now from no less than a personality than B. Ponomarev?

Today the world communist and revolutionary movement is plural and contradictory. The era of a monolithic communist movement subject to a single discipline ended long ago, a very long time ago. With the strengthening of the tie linking the revolutionary movements with their peoples, the specific conditions in their countries and their own revolutionary traditions, the differences and contradictions among them will increase.

The great revolutionary leap forward represented by the Russian revolution and the birth of the Soviet Union is clear to us. With the revolutionary experience of 1917 we entered history. That is where capitalism was ended for the first time in the world. We feel solidarity with all the progress made by the socialist countries and are aware, not only of their historical role--suffice it to cite the USSR's contribution to the war against Hitler--but also of the importance of all the socialist countries vis-a-vis imperialism. This is clear to us.

At the same time, what doubt can there be that the conception of socialism for which we are struggling and to which the working masses in our country aspire is not that which exists in the East European countries, and that--without going further--instances such as the trial which is taking place in Prague are the negation of our policy and of our deepest convictions?

[LD301823] We fully understand that this disagreement can also occur the other way round. But we do not accept pressures or defamatory campaigns. Anti-Eurocommunist propaganda or failure to understand from whatever quarter will not make us change our course. We repeat what we have already said on other occasions. A reasoned controversy over Eurocommunism--which we do not reject, if there is a desire to create it--is one thing; a systematic campaign of attacks is another.

In listing communist parties which have registered "progress to influential positions" in the capitalist countries, Comrade B. Ponomarev cites the Portuguese, Greek and German Communist Parties. This list could not be more surprising, especially in the last-mentioned instance. To ignore at the same time the considerable progress made by the Japan Communist Party in the latest election, the Swedish Communist Party, the Mexican Communist Party, even the Venezuelan movement to socialism, and--why not say it?--the PCE, is to strangely forget parties which have various positions within the international communist movement. Who is deceived by such a partial view of the world revolutionary and workers situation?

After this, is it not possible to discern in Comrade Ponomarev's words an orientation opposed to a large part of the international communist and workers movement when he states that "the CPSU will continue in the future to contribute by every possible means to the consolidation of the communist movement, taking as its basis the principles of Marxism-Leninism and proletarian internationalism?" Will this action "by every possible means" be directed against the Eurocommunist stances and us parties which strictly practice independence?

We sincerely hope that we are mistaken in asking these questions.

CSO: 3110

TIERNO GALVAN ON RESULTS OF PSOE CONGRESS

Bilbao EL CORREO ESPANOL-EL PUEBLO VASCO in Spanish 5 Oct 79 p 17

[Text] Prof Enrique Tierno Galvan, mayor of Madrid, preferred to stay away from the new federation executive committee elected at the last special congress of the PSOE [Spanish Socialist Workers Party] in order to devote himself fully to the Madrid District "which takes all my time."

In exclusive statements released today to EFE [Efe Agency (Press Association)], Professor Tierno said, in relation to the results of the special congress, that "it is not exactly what I had proposed. They did not elect a unity-based executive body and I believe that this happened because there was no agreement. I did not detect any absolute dogmatic positions but there was no agreement perhaps because everything was pushed through at the last moment."

"My personal opinion," added the socialist mayor of Madrid, "is that we militants must do our job in a disciplined fashion; we must not come out with any criticisms that can cause the situation to deteriorate; and we must work hard to recover the ground which we obviously lost in public opinion."

Concerning the prospects after the congress, Professor Tierno said that "Spain needs a strong Socialist Party and we must give that impression under these difficult circumstances. Today it is the national interests, in summary, which are the interests of everybody and which are above our partisan and ideological differences. It is very clear that my formulas were not included in the program declaration, nor do I find my Marxist position clearly reflected, in terms of historical materialism, but as a party militant I do accept the declaration."

Balance Factor

Concerning the role of socialism in national politics, Professor Tierno expressed the opinion that "socialism in Spain obviously has to be a balancing factor. We accepted a constitution which permits the free-enterprise system within a competitive market and we must make our

contribution so that the businessman will have security and guarantee. Nobody can be asked to invest his money if he does not know what the government's criteria will be regarding business activities and what government policy will be with respect to business and the labor market."

As for his departure from the PSOE executive, of which he had been honorary chairman, the mayor of Madrid said that "if I had wanted to, I would have been honorary chairman. I preferred to devote myself to my job as mayor which takes up all my time and I can help objectively with my opinions and advice. At the same time I have more ideological independence."

Regarding the persons of Felipe Gonzalez and Alfonso Guerra, as secretary-general and assistant secretary-general, respectively, on the new executive committee, Tierno felt "that Felipe is a capable man, with natural intelligence, who in my opinion needs government experience. We are confident that he will do the job."

Regarding Guerra he said that, "he is an intelligent person with a great capacity for work; on some occasions he says something that he does not really want to say but I am sure that he will make a great effort so that the party will be coherent and more effective, working along those lines with firm determination."

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CSO: 3110

DETAILS ON NAVY'S NEW AIRCRAFT CARRIER PROVIDED

Barcelona LA VANGUARDIA in Spanish 5 Oct 79 p 12

[Article by M. Ramirez Gabarrus: "The Aircraft Carrier PA-11 Will be Laid Down at El Ferrol on Monday, 8 October"]

[Text] Next Monday, on 8 October, can be considered a highly important date in the annals of the navy in this beautiful city of El Ferrol since there is to be a significant twin event at the shipyards of E. N. Bazan.

First of all, the corvette "Cetinela" (F-37) will be launched; this is the third of the four vessels in the second series ordered from the above-mentioned Galician shipyard (the four in the first series, as we know, were built by ENB Shipyards at Cartagena); this will be followed by the ceremony of laying down the first prefabricated block for the aircraft carrier "PA-11."

As we reported earlier concerning this major unit of the Spanish Navy, the blueprints came from the U. S. Navy and follow the SCS (Sea-Control Ship) concept; the project was handled by E. N. Bazan and by the United States firm of Gibbs and Cox, who handled the details of the entire project. Bazan participated to the extent of 90 percent in this work.

Future Admiral's Flag Vessel

Since the Spanish Navy has joined all of the other navies in shipboard VTOL combat aircraft, it became necessary to have a vessel which at the proper moment would take the place of the veteran "Dedalo" (PA-01) and which, at the proper time, will be the flag vessel for the Combat Group, acting as the nerve center of the fleet. We recall furthermore that, following the sinking and breakup of the cruiser "Canarias," the Spanish fleet had no admiral's flag vessel.

This ship, which tomorrow will begin to grow on the slipways of El Ferrol will, someday (in 1981?) be launched into the water; it features a series

of highly significant advances in technologies currently in use in the Spanish Navy. For the first time, the power plant will employ gas turbines ("GE," type LM-2.500, ordered last June, together with the other six intended for the three future "FFG" frigates). For the first time likewise the presentation of all detection systems appears in real time on the command vessel which will make it possible to make decisions immediately upon viewing a much bigger panoramic screen which will completely prevent the tactical situation.

The flight deck will have a certain inclination aft in the bow section; this will be helpful in assisting aircraft takeoff with a short run. This will permit a fuel saving and therefore greater endurance and armament capacity. In the Royal Navy, which created the system, the current version is called "Ski Jump"; the Royal Navy experimented with this already toward the end of the twenties on its aircraft carriers "Furious," "Glorious," and "Courageous."

The "PA-11" [aircraft carrier] naturally will have all of the best equipment already introduced on the "Balears"-type missile-firing frigate, such as stabilizing quarters [fins], demagnetization system, bubble canopy camouflage [smokescreen?], impact [collision] stock, shipboard radiation decontamination sprinkler system, antinuclear defense, etc.

The communications system will be very much more complex than normally encountered on the Spanish navy's most recent vessels since direct command over the combat group will be exercised from here based on information arriving through radio links directly passed on the computers that will put out situation data at any desired moment, as well as calculations on future positions, evaluation of defense and attack means, indicating which of them should be employed, and when.

Weapons and Air Crew

The builders--according to the directives issued by the Navy Operations Staff--indicated that the weapons system is certainly small since the concept used as basis is different from the rest of the other vessels; this ship's active defenses will be based on its aircraft and the armament of the other vessels in the combat group [task force] since the aircraft carrier will always sail within the range of the missiles and guns of the escorting frigates. This is why it was equipped only with four "Meroka" antimissile mounts, designed and made in Spain, a point defense system capable of pulverizing, in the air and at short range, any missile or aircraft that may have gotten through the defenses put up by the task force.

The air detachment, quite logically, can be used in many different combinations but it would seem that the air wing would be made up as follows: Three "Sea Harrier" V/STOL aircraft; 14 heavy SH-3D "Sea King" helicopters; plus two Kaman SH-2F LAMPS ASW and anti-ship helicopters. The shipboard

air unit will have a hangar capable of accommodating all aircraft and helicopters with their workshops for engines, landing gears, electronics, etc., and with enough space for cranes and all kinds of other hoisting gear to install the special workshop containers for each type of aircraft on board.

Air navigation aids and ship navigation aids will be the most modern in use.

The "PA-11" vessel has a designed displacement of approximately 15,000 tons, with a length overall of 195 meters and 187.70 between perpendiculars; 24.40 [meters] beam and 32 [meters] beam; and a draft of 6.60 meters. The power plant (two LM-2500 gas turbines) will put out 45,000 horse-power on a single shaft, attaining a maximum speed of about 26 knots. At a speed of 20 knots, the endurance will be 7,500 miles. The complement, including one admiral and the air squadron personnel, will be 780 men.

Possible Additional Units

It must be said right now that both the navy and E. N. Bazan are doing a praiseworthy job in handling this project; other navies, which today have "over-age" aircraft carriers, such as the navies of Argentina, Australia, and India, are also interested in this project; they are therefore potential customers for the shipyards at El Ferrol. And if we furthermore realize that, for tactical and strategic reasons, the Spanish Navy should have a second identical unit, then the possible benefits deriving from that for our industry in general and the shipbuilding industry in particular would be highly worthwhile.

We hope that these expectations materialize in the form of actual orders and that Spain will become a country that exports aircraft carriers.

5058
CSO: 3110

COUNTRY SECTION

SPAIN

BRIEFS

EQUATORIAL GUINEA GRANT--The diplomatic press office of the Foreign Ministry has issued a joint communique in connection with the meetings of the Spanish-Equatorial Guinean Commission held between the 26 and 30 October. The communique says that both delegations have agreed on a series of emergency actions in view of the present economic situation of the Republic of Equatorial Guinea. The document adds that to this end, a credit from the Spanish Government has been signed for \$10 million. A technical interbank agreement and two lines of credit through the bank of the exterior worth \$2 million and \$7 million respectively have also been signed. [Text] [LD011552 Madrid Domestic Service in Spanish 1300 GMT 1 Nov 79 LD]

YUGOSLAVIAN OFFICIAL VISITS--Yugoslav Deputy Federal Secretary for Foreign Affairs Milorad Pesic, has ended his official visit to Spain which began last Monday. This morning Mr Pesic was received by Spanish Foreign Marcelino Oreja [as printed] and by president of the Congress Foreign Affairs Commission Ignacio Camunas. The deputy federal secretary of foreign affairs had several working meetings yesterday with Secretary of State for Foreign Affairs Carlos Robles Piquer and with the director general for foreign policy for Europe and Atlantic affairs of the Foreign Ministry. During these meetings matters related to the European conference on security and cooperation, to be held in Madrid in the fall next year, as well as detente and international matters of mutual interest were discussed. All aspects of Spanish-Yugoslav relations--notably enhanced in the last 2 years--were reviewed. [Text] [LD312228 Madrid Radio in Spanish to Europe 1830 GMT 31 Oct 79 LD]

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